

Business and politics in Muslim world
Weekly report on South Korea & Japan

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Summary **of**
Report.....10-48

South Korea

Political Front..... 49-71

- **Killing Your Own: Massacres During the Korean War**
- **Police seize more servers in civil servant 'political activity' probe**
- **North Korea's Kim pledges to remove nuclear weapons**
- **Diplomats Urged to Have Salesman Spirit**
-
- **U.N. envoy says will talk about 6-way talks with N.K**
- **North accuses S. Korea of plot DP Chief Urges Need for S-N Summit**
- **Nuclear talks hopes rise on Wang's visit**
- **'North Korea Pursues Indian Nuclear Model'**
- **1st Early Warning Aircraft Arrives in S. Korea**
- **N. Korea demands sanctions end**
- **Four opposition leaders agree to impeach P.M.**
- **Plastic weapons raise security fears**
- **'Foreigner Detention Centers Get Worse'**
- **Sanctions on N. Korea to stay**

- **Australia's Tightened Immigration Rule Affects 800 Koreans**
- **Seoul Seeks to Get Moscow's Arms Technology**
- **Ruling Party Lashes Out at Chief Justice Again**
- **Chung Dong-young Rejoins Democratic Party**
- **Apology for rule over Korea**
- **GNP At Odds Over Sejong**
- **City Air Force Introduces Advanced Weather Surveillance System**
- **Assembly Panel Passes Bill on North Korean Human Rights**
- **DP Delays Motion to Unseat PM Chung**
- **Motion to Dismiss PM Put on Hold**
- **Seoul Positive About Japan FM's Remarks**
- **Seoul Proposes Inter-Korean Military Talks**
- **President Willing to Meet Park Over Sejong Plan**

Economic Front..... 72-117

- **Korea Lags Behind in Knowledge-Based Services Sector**
- **Spending on Foreign Knowledge Exceeds \$15 Bln**
- **Exports of Agro Food Products Jump 31% in Jan**
- **Shinhan Challenges KB for Top Spot**
- **W2 Tril. Fund to Be Set Up for Drug Companies**
- **Attack of the Droids**
- **Local Bank Stocks Lose 4.5% Over EU Budget Crisis**
- **Auditors to Probe Lax Management at Public Firms**
- **Lee Asks Firms to Help Korea Become Model for Job Creation**
- **'Tourism Slogan Needs Inspiration' Top Singer Booked for Selling Bogus Luxury Clothing**

- **Finance Minister Warns Against Rate Hike**
- **KOTRA to Continue to Get Overseas Tax Exemptions E-Mart Struggles to Keep 'Cheapest' Promise**
- **Korea Ranks 4th in Global Patent Filings**
- **President Lee reaffirms efforts to create jobs**
- **Korea, Yemen launch working-level talks on avoiding double taxation**
- **Korea, Germany to discuss G-20, trade, reunification**
- **Korea Pledges \$12 Million in Aid to Uzbekistan**
- **Firms Take Creative Approach to Training**
- **KB Financial Posts W540 Bil in Net Profit**
- **Hyundai Sonata Soars to Top Tier in Residual Value**
- **Founder Lee Embraced East, West Management**
- **POSCO Donates \$300,000 to Haiti Relief**
- **Koreas to hold talks on Gaeseong, Geumgang tour**
- **S. Korea's OECD Economic Indicator Tops 100 for Dec**
- **Korea Eyes \$45 Bil. Train Deal in US**
- **Does Anyone Want New Taxes on Food Waste?**
- **83 Percent Back Incentive for Reserve Soldiers**
- **Korea, Uzbekistan to Bolster Energy Ties**
- **Exports of Farm Products Rise 5% in 2009**
- **Korea Ranks 33rd in Global Labor Productivity Ranking**
- **3-D Consortium Eyes Global Market**
- **India Places 27 Regulations on Korean Imports**
- **Lee: Future Vision Needed for Balanced Regional Development**
- **FM: Economy to Expand 5% in 2010**
- **Public Sector Debts Soared in '09**
- **Gov't to Reduce Deficit Next Year**

- **Household Education Spending Tops W40 Tln**
- **Govt Farm Corp. to Start Int'l Grain Company**
- **Hyundai, Kia Post Top Sales in Russia in January**
- **SERI: Korea Could Face Financial Crisis in 30 Years**
- **No. of 'Hi Seoul' Firms Hits 90**
- **IMF: Exit Strategy is Possible Next Year**
- **Lee Orders Review of Public Firms' Debt**
- **Korea Life says aims to raise \$2 bln in March IPO**
- **Korea BOK chief plays down Europe woes impact**
- **Seoul shares up on banks, autos; BOK comments help**
- **Fiscal Deficit-GDP Ratio Posts 11-Year High**
- **Govt to Provide W14 Bln in Aid to Uzbekistan**
- **Korea Benefits Less From Korean Wave Than Japan**
- **Telecom Wars Go Plastic**
- **Shinhan, Woori Rise Amid Global Crisis**
- **Global Economy Sees Realism Replacing Pessimism**
- **Artificial Floating Island Launches in Han River**
- **N. Korea food crisis to worsen**

Socio-Cultural Façade.....118-149

- **Artificial Floating Island Launches in Han River**
- **South Korea to send 240 troops to Haiti to rebuild**
- **N. Korea food crisis to worsen**
- **Korean Dramas Captivate Young People in Nepal**
- **'Immigrants' Kids Need Protection'**
- **Illegal English Tutors May Face Taxation**

- **Gender Equality Improving in Seoul**
- **Police Preparing for Terrorists Ahead of G-20**
- **Court Falls a Step Shy on Child Rape Guidelines**
- **Visa Problems Big Headache for Foreigners**
- **Dead Man Revived After 18 Minutes**
- **3.0 Magnitude Quake Rattles Seoul**
- **No new high schools in 2014**
- **Busan Orphanage Band to Perform at Carnegie Hall**
- **The Tomato, figure-skating queen, top Forbes list**
- **Koreas will not march together in Vancouver: IOC**
- **No. of Female Taxpayers Increases**
- **Restoration of Sungnyemun Gate to Begin Wednesday**
- **Sungnyemun Restoration Begins**
- **Assembly Approves Peacekeeping Dispatch to Haiti**
- **More criminal convict appeals**
- **Number of organ donors surges 10-fold in 10 years**
- **Gov't to revise law on sex crimes against minors**
- **Teachers' bonuses to be linked to schools' performance**
- **SAT Lecturer Banned From Leaving Korea**
- **Noted SAT Lecturer's Credentials 'All Lies'**
- **Only 2 in 10 Admitted to High School of Choice**
- **Foundation raises funds for multicultural children**
- **Get started early**
- **Seoul Gov't to Create Park in Tashkent**
- **Depression is main cause of suicides**
- **What Motivated Koreans to Develop Nation?**

- **6 Arrested Over Murder of Korean Businessman in Guatemala**
- **New Adoption Policy Backfires**
- **Take Regular Breaks; Keep Heater at Moderate Temp**
- **17 Teachers Get 'Forced Transfers'**
- **8 High School Girls Booked for Bullying**

Japan

Political Front.....150-185

- **Abbas visits Hiroshima**
- **Ministers agree G-7 will live on**
- **Ozawa should quit DPJ anyway**
- **Support for Japan PM dives**
- **Support Ozawa stresses PM**
- **Hatoyama is tax-dodging king: Yosano**
- **Somali minister appeals for aid**
- **Japan PM sees new reform minister lifting support**
- **Japan apologizes for colonial rule of Korea**
- **Over 70% want Ozawa to resign**
- **Kan, Geithner hold talks at G-7**
- **Hatoyama vows to resolve territorial row with Russia**
- **Abbas begins Japan trip with visit to A-bomb museum**
- **DPJ's Ishikawa to stay on despite indictment**
- **Ministers need longer terms to build international presence: Kan**
- **Advisory panel for Japan, China relations meets in Beijing**
- **Is Japan-bashing behind Toyota's U.S. woes?**
- **Hatoyama says Ozawa can stay**

- **Abbas stresses resuming peace talks**
- **14 prefectures oppose foreign vote**
- **Give activists fair trial, Greenpeace demands**
- **Seoul presses for royal documents**
- **Minke population not growing: U.S. study**
- **NGOs air concerns over strife in Gaza Strip**
- **Aid for Somalia**
- **U.S. friends in high places involved in Toyota probe**
- **Hiroshima will reassess reach of 'black rain'**
- **Occupation censored Unit 731 ex-members' mail: secret paper**
- **Stowaway stirs worry over air security**
- **Indicted lawmaker Ishikawa to quit DPJ**
- **Edano tasked with polishing Cabinet's image**
- **Allies to air Futenma ideas**
- **Mariana chiefs happy to reap all of Futenma**
- **LDP struggling in vain to rebuild**
- **Mr. Hatoyama's bold move**
- **Tokyo to get panda pair from China, for under \$1 million**
- **Objection filed over letting Ozawa off hook**

Economic Front.....186-225

- **Toyota president sidesteps issue of Prius recall**
- **Toyota readies for a recall over 170,000 Prius hybrids in Japan**
- **U.S. Toyota dealers to begin fixing Prius brake problems**
- **Toyota's moment of crisis**
- **¥100 million wins uninhabited isle**

- **Ozawa, wife worth ¥2 billion**
- **Toyota set to recall Prius cars in Japan**
- **Panasonic regained global patent application lead in '09**
- **Bill would turn Japan Post into three firms**
- **Cosmo Oil to buy wind power firm**
- **Hiroshima added to ANA cargo service**
- **It's official: JAL rules out Delta ties**
- **Toyota the city rides out the storm**
- **Toyota tries to cover all bases**
- **Honda adds 437,000 cars to air bag recall**
- **Japan's debt swells to ¥871 trillion**
- **Toyoda to visit U.S. next month to talk up safety, explain things**
- **IT firm execs held for padding sales**
- **Japan State-Backed Fund Eyes Auto, Technology Firms (Update1) Share Business**
- **Fresh questions over response**
- **Kirin-Suntory merger off**
- **Plane seats data fabricated**
- **JAL to stay with AA**
- **Nikkei up 1 pct on reports of Greece aid plan, yen**
- **TOYOTA GAINS, HONDA FALLS**
- **Honda expands airbag recall as more Toyotas probed**
- **Japan bank lending slides as funding demand weak**
- **Obama to Toyota: 'act decisively'**
- **1 Japan said Wed machinery orders jumped 20% in Dec**
- **Japanese firm ordered to fix airline seats**

- Temps again get short end?
- Toyota to reveal all safety fixes to mend image
- H.I.S. now says it will aid Huis Ten Bosch rescue
- ¥100 billion eyed for power, EV loans
- Nissan mulls new small-car partner after Suzuki-VW deal
- Overseas mining rights law to take effect in July: official
- Economy probably grew most in almost two years, survey finds
- Consumer confidence rebounds as fears of new recession recede

Socio-cultural Façade;226-244

- 14-year-old Manx schoolgirl is big hit in Japan
- Record 85% favor death penalty
- SDF troops leave for Haiti tour
- Doctors arrested over patient's '06 death
- Chinese activist allowed home after living in airport
- Activists ambush whalers
- Japanese women scoop up gold medals at Paris Grand Slam
- Dead man in jet landing gear
- Bigger handouts urged to spur births
- Campus nurseries help new moms cope
- Youth held in killings; kidnapped girl safe
- Strong quake strikes
- Weather news takes over retired icebreaker
- Japan warming to child-custody treaty
- Former sex slaves demand apology
- IT firm execs held for padding sales

- **Motherless families to get aid under bill**
- **Man faces H.K. trial for Kobe heist**
- **Japan proposes whaling deal**
- **Panel outlines fee hikes for hospital physicians**
- **Prosecutors rest with call to acquit Sugaya**
- **School lets boy with gender identity disorder try attending as girl**
- **Girl works to empower poor kids**
- **Poor aged moms grope to help adult offspring financially cope**
- **Japanese, S. Korean women's soccer champions to play in March**

Summary of Report (South Korea)

Politico-Strategic Front;

Killing Your Own: Massacres During the Korean War

The admission in November last year by the Truth and Reconciliation Commission, a governmental body, that South Korea had murdered thousands of its own citizens in the opening weeks of the 1950-53 Korean War, marked a landmark moment in the painful journey to historical truth.

Police seize more servers in civil servant 'political activity' probe

Police on Sunday seized more servers belonging to a minor opposition party as part of an ongoing investigation into alleged "political activity" by civil servants and teachers, according to Yonhap News. Korean law bars public worker and teacher unions from taking part in collective political activity, but the legitimacy of the investigation has been controversial.

North Korea's Kim pledges to remove nuclear weapons

North Korea's leader pledged again to remove nuclear weapons from the peninsula, a news report said on Tuesday, and also sent his top nuclear envoy to Beijing in a move that could bode well for stalled disarmament talks.

Diplomats Urged to Have Salesman Spirit

The government called on South Korean diplomatic mission chiefs abroad, Monday, to have a business mentality. Minister Yu said diplomatic missions should be dedicated to supporting

Korean businesses in achieving tangible results abroad, such as signing contracts for nuclear power plant construction and natural resources development projects. The ministry said most of the participating mission chiefs will participate in one-on-one consultations with CEOs at a gathering slated for Wednesday at the Lotte Hotel in central Seoul.

U.N. envoy says will talk about 6-way talks with N.K.

A special envoy of U.N. Secretary-General Ban Ki-moon to North Korea on Saturday said he will talk about ways to resume six-nation talks on ending North Korea's nuclear programs while visiting the communist state next week, according to Yonhap News.

North accuses S. Korea of plot

PYONGYANG accused Seoul on Monday of plotting to topple its regime as relations again soured, while a top Chinese official met North Korea's leader to bring the country back to nuclear disarmament talks. In another blow for inter-Korean ties, the two sides failed to agree on restarting a tourism project.

DP Chief Urges Need for S-N Summit

The leader of the main opposition Democratic Party (DP) says the government should warm up chilled South-North Korea relations through an inter-Korean summit before South Korea's June local elections.

Nuclear talks hopes rise on Wang's visit

A senior Chinese envoy met with North Korean officials yesterday amid intensifying diplomatic efforts to bring Pyongyang back to the stalled six-party nuclear talks.

'North Korea Pursues Indian Nuclear Model'

North Korea is not ready to give up its nuclear ambition, nor the desire to improve its relations with the United States at least until the ongoing succession of power is completed, a security expert said Tuesday.

1st Early Warning Aircraft Arrives in S. Korea

The first of four 737 airborne early warning and control (AEW&C) aircraft built by Boeing Integrated Defense System (IDS) has arrived in South Korea. Korea Aerospace Industries (KAI) accepted the first "E-737" airplane for modifications Tuesday, the Defense Acquisition Program Administration (DAPA) said.

N. Korea demands sanctions end

NORTH Korea Wednesday repeated demands for sanctions to be lifted before it returns to nuclear disarmament talks, resisting appeals from its ally China to resume dialogue, a news report said.

Four opposition leaders agree to impeach P.M.

Leaders of four opposition parties agreed yesterday to launch a joint front to impeach Prime Minister Chung Un-chan for leading the move to revise the Sejong City development project. Over one third of the current 297 lawmakers must sign the motion to put it to a floor vote during a plenary session.

Plastic weapons raise security fears

Plastic swords and knives solid enough to pierce a tin can are being traded freely, raising alarm among security authorities. Some 10 kinds of lethal weapons made of tempered glass fiber are available in sword shops and on the internet, said officials. They can pass through standard metal detectors at airports and key public facilities. Though dangerous, they are not regulated by any law.

'Foreigner Detention Centers Get Worse'

Three years have passed since a fire took the lives of 10 migrant workers who were being detained at an immigration center in Yeosu, South Jeolla Province. On the anniversary of the tragic accident Tuesday, migrant workers' organizations renewed their calls for the closure of detention centers for foreigners.

Sanctions on N. Korea to stay

SANCTIONS on North Korea will not be removed until Pyongyang returns to disarmament talks and takes serious steps towards scrapping its nuclear arms program, the foreign ministers of South Korea and Japan said on Thursday. The comments come as the North's top nuclear envoy is in Beijing in a sign the reclusive state may be moving closer to a return to so-called six-party nuclear talks hosted by its key ally, China.

Australia's Tightened Immigration Rule Affects 800 Koreans

Australia has rejected 20,000 immigration applications, including those by hundreds of Korean nationals, in a major overhaul aimed at attracting highly skilled labor, the Australian immigration minister said. Immigration Minister Chris Evans said the current occupations-in-demand list, which covered 106 occupations, will be scrapped immediately and replaced with a "more targeted" skilled occupations list to be introduced in the second half of the year.

Seoul Seeks to Get Moscow's Arms Technology

South Korea and Russia are engaged in negotiations over the transfer of key arms technologies, the Defense Acquisition Program Administration (DAPA) said Tuesday. The negotiations are part of the so-called third "Brown Bear" arms-for-debt swap project. The two countries signed a memorandum of understanding in 2007 on the transfer of Russian military equipment and technology. Under the agreement, Russia promised to transfer technology related to submarine fuel cells and others to South Korea.

Ruling Party Lashes Out at Chief Justice Again

Senior lawmakers of the governing Grand National Party (GNP) criticized leaders of the Supreme Court again Wednesday, alleging that when they practiced as lawyers they took advantage of connections they had made previously as judges. They stepped up criticism of Chief Justice Lee Yong-hoon and Justice Park Si-hwan, signaling the party's determination to overhaul the judiciary.

Chung Dong-young Rejoins Democratic Party

A former leader of the main opposition Democratic Party (DP) rejoined the party Wednesday, eight months after he left the liberal party. Former presidential candidate Chung Dong-young, who is now an independent lawmaker, left the party in defiance of the DP's decision to forbid him running in last April's by-elections on the party ticket.

Apology for rule over Kore

JAPANESE Foreign Minister Katsuya Okada made a strongly-worded apology on Thursday for his country's 'tragic' 20th century colonization of Korea, saying his government would not ignore history. South Korean officials have also said Mr Okada's trip would mark the beginning of efforts by both countries to put the past behind them.

GNP At Odds Over Sejong City

Internal strife continues within the ruling Grand National Party (GNP) over the Sejong City development plans for South Chungcheong Province. At a Wednesday debate hosted by a group of GNP lawmakers who support a moderate approach to the Sejong issue, Representative Hong Sa-deok said that the only decision left to be made in regards to government-proposed revisions to the Sejong City plan is when the proposal should be withdrawn.

Air Force Introduces Advanced Weather Surveillance System

The Air Force has begun operating advanced equipment to help give precise warnings and forecasts of atmospheric phenomena when its airmen conduct precision-strike operations. Under a 2007 agreement signed with the state-funded Korea Astronomy and Space Science Institute on

bolstering surveillance of the atmospheric environment, the service started operating an ionosphere radar system last October.

Assembly Panel Passes Bill on North Korean Human Rights

The Unification, Foreign Affairs and Trade Committee of the National Assembly passed a bill Thursday aimed at improving human rights conditions in North Korea. Lawmakers of the ruling Grand National Party and the Liberty Forward Party voted for the legislation, while lawmakers for the main opposition Democratic Party (DP) objected to the passage of the measure.

DP Delays Motion to Unseat PM Chung

The main opposition Democratic Party (DP) postponed the submission of a motion, Thursday, calling for the dismissal of Prime Minister Chung Un-chan for his role in pushing the revision of an administrative town plan. Four opposition parties agreed early this week to submit to the National Assembly the motion no later than Thursday over his responsibility in seeking the revision of the Sejong City development project.

Motion to Dismiss PM Put on Hold

The Democratic Party has put on hold a plan to submit a motion requesting the dismissal of Prime Minister Chung Un-chan. At a meeting of party lawmakers Thursday, the main opposition party decided to review the motion's submission when the government submits a bill for the revision of the Sejong City development project

Seoul Positive About Japan FM's Remarks

South Korea is positively assessing comments made Thursday by Japanese Foreign Minister Katsuya Okada in regards to Japan's colonization of Korea from 1910 to 1945. Okada, who arrived in Seoul on Wednesday for meetings with South Korean officials, called on the two nations to start building a new, future-oriented relationship while coming to grips with the past.

Seoul Proposes Inter-Korean Military Talks

The Ministry of National Defense proposed Friday that South and North Korea hold military talks to address communication, stalled tourism projects and customs clearance on Feb. 23 at the truce village of Panmoonjeom. While North Korea has not responded to the offer, Won Tae-jae, spokesman of the defense ministry, is optimistic that the meeting will take place. The last inter-Korean military talks took place on Oct. 2, 2008.

President Willing to Meet Park Over Sejong Plan

President Lee Myung-bak said Friday he is willing to meet with former Grand National Party (GNP) Chairwoman Rep. Park Geun-hye to discuss ways to resolve the deepening feud within the ruling party over the government's Sejong City plan.

Economic Front:

Korea Lags Behind in Knowledge-Based Services Sector

Korea has emerged as one of the world's major industrialized economies over the past six decades through a manufacturing and export oriented development strategy. But with its economic structure becoming more sophisticated, it is increasingly shifting to a more knowledge-based service economy like the United States and European countries.

Spending on Foreign Knowledge Exceeds \$15 Bln.

The Bank of Korea says spending on overseas knowledge services exceeded 15 billion U.S. dollars last year. Spending in the sector rose 8.2 percent year-on-year last year, including on foreign patents, study abroad and computer services, legal and accounting services in addition to research and development.

Exports of Agro Food Products Jump 31% in Jan

The government says exports of agro food products jumped nearly 32 percent last month year-on-year to some 397 million dollars. The Ministry for Food, Agriculture, Forestry and Fisheries said Monday that exports of such products rose 31-point-eight percent in January compared to the same month last year. The last time the figure jumped by such a high margin was in 1986 when exports expanded by 32-point-five percent.

Shinhan Challenges KB for Top Spot

Over the past decade, Kookmin Bank has been a dominant player in the local banking sector, operating the country's largest number of branch offices and serving the most retail and corporate customers. But in the wake of the global financial crisis, Shinhan Bank has been catching up fast in a couple of key areas, threatening to take over the top spot.

W2 Tril. Fund to Be Set Up for Drug Companies

Korea has unveiled an ambitious vision to foster global pharmaceutical firms through the creation of a large-scale R&D fund and offering various tax benefits to local companies. The Ministry of Strategy and Finance said Sunday that it will set up a two-trillion won fund by 2015 and provide tax breaks and other incentives to make local pharmaceutical firms more globally competitive as part of efforts to foster the industry as one of the nation's new growth engines.

Attack of the Droids

Google and Apple are entangled in a bitter turf war in mobile search and smartphone technologies, and it appears that Korea's leading technology companies will have a lot at stake in the fight. The combination of SK Telecom, the country's biggest mobile carrier, and Samsung Electronics, the leading mobile-phone manufacturer, has dominated the market for years — SK Telecom controls more than half of the country's wireless subscribers and Samsung had been getting the lion's share in a virtual handset duopoly with LG Electronics.

Local Bank Stocks Lose 4.5% Over EU Budget Crisis

Korean banks are becoming less attractive to investors amid various threats and risks in and out of the country. Most big banks have seen their stock prices decline in February despite above-average performance. The debt crisis in southern Europe and the bankruptcy risk of Kumho Group are major factors behind such lethargy, while the government's meddling in the management of big banks is hardly encouraging investors.

Auditors to Probe Lax Management at Public Firms

The Board of Audit and Inspection (BAI) pledged Monday to inspect 132 state-funded firms and their subsidiaries this year in an effort to address lax management and low productivity in the public sector. BAI Chairman Kim Hwang-sik said the agency will focus on keeping an eye on government-funded projects and moral hazards among civil servants in 2010.

Lee Asks Firms to Help Korea Become Model for Job Creation

President Lee Myung-bak urged economic policymakers and private firms Monday to step up their efforts to create jobs, saying the sluggish job market was one of the biggest challenges for Korea despite its surging international status. Recalling his recent trip to Switzerland to participate in the World Economic Forum, he said the world expects Korea to play a larger role in establishing a new economic order as well as addressing global imbalance.

'Tourism Slogan Needs Inspiration'

The new slogan for Korean tourism "Korea, Be Inspired" was announced last week, triggered debate on the effectiveness of the catchphrase to better promote the country. Others criticized the government for changing the national tourism catchphrase too often. Some gave the opinion that Korea lacks tourist resources, not a catchy slogan.

Top Singer Booked for Selling Bogus Luxury Clothing

Three entertainers have been booked for selling bogus designer goods through online shopping sites. A Seoul police office said Tuesday a total of 210 companies selling fake designer clothes, along with the three stars, had been booked without detention.

Finance Minister Warns Against Rate Hike

The nation's top economic policymaker Tuesday urged the Bank of Korea (BOK) not to raise its key policy rate against increasingly unfavorable economic conditions at home and abroad, including the debt crisis currently engulfing four southern European economies. Strategy and Finance Minister Yoon Jeung-hyun also said the government will continue expansionary fiscal policies for the foreseeable future to facilitate the ongoing economic rebound and increase monitoring of the increasingly unstable global financial market conditions to better cushion the domestic sector from negative external shocks.

KOTRA to Continue to Get Overseas Tax Exemptions

There are many benefits for employees of state-affiliated organizations working in foreign countries. To name a few, they include handsome housing subsidies, larger paychecks, and other extra monetary and residential perks. But the icing on the cake has to be the income tax exemption, meaning they do not pay a single dime in taxes on what they earn abroad. But the government said last year that it would slash tax benefits given to workers of state-funded entities overseas as part of its efforts to raise tax revenues amid the deteriorating fiscal conditions, following the unprecedented worldwide economic downturn.

E-Mart Struggles to Keep 'Cheapest' Promise

Barely a month after declaring itself as the country's cheapest source of essential grocery items, the humbled discount giant, E-Mart, appears to be backing off. E-Mart, the country's largest retail chain and crown jewel of Shinsegae Group's corporate empire, had engaged in a cut-throat price competition with rival discount chains such as Lotte Mart since the start of the New Year.

Korea Ranks 4th in Global Patent Filings

South Korea ranked fourth last year in the number of international patent applications, with LG Electronics and Samsung Electronics leading the way. The nation filed for 8,066 international patent applications last year, up 2.1 percent from a year earlier, the World Intellectual Property Organization (WIPO) said Monday in a press release. The United States stayed atop on the list with 45,790 applications, ahead of Japan and Germany. However, both the top two Western countries suffered a double-digit contraction last year.

President Lee reaffirms efforts to create jobs

President Lee Myung-bak said Monday that Korea has greatly enhanced its international status but it can not afford to be complacent yet as it still faces a daunting task of creating jobs, according to Yonhap News. Korea is riding out the global economic crisis faster than any other countries. It is the chair of this year's summit of the world's 20 major economies to be held in Seoul Nov. 11-12.

Korea, Yemen launch working-level talks on avoiding double taxation

Korea and Yemen started on Monday their first round of working-level talks on a double-taxation avoidance deal, Seoul officials said, according to Yonhap News.

Korea, Germany to discuss G-20, trade, reunification

Korean and German leaders were to hold talks here later Monday to discuss ways to boost cooperation at the G-20 economic forum and facilitate the implementation of the free trade agreement between Seoul and the European Union, Korea's presidential office said, according to Yonhap News. German President Horst Kohler arrived in Seoul Sunday, becoming the first German president to travel to Korea in eight years.

Korea Pledges \$12 Million in Aid to Uzbekistan

Korea will provide \$12 million in aid to Uzbekistan this year in line with its effort to boost the two countries' strategic partnership, the Ministry of Foreign Affairs and Trade said. Minister of Foreign Affairs and Trade Yu Myung-hwan signed four agreements on economic assistance for the Central Asian nation with his Uzbek counterpart Elyer Ganiev at the ministry in Seoul, Wednesday. Uzbek President Islam Karimov arrived in Seoul Wednesday evening for a summit with President Lee Myung-bak, Thursday.

Firms Take Creative Approach to Training

This year, POSCO's fresh-out-of-college hires faced an unexpected challenge during their four week training program. On the last day of training last week, the 148 recruits were split into groups and tasked with performing a musical — an activity designed to underline the theme of synergy between the steel company and its affiliates. But some recently developed programs are seeing companies becoming more creative in training their newcomers.

KB Financial Posts W540 Bil in Net Profit

KB Financial Group, the nation's largest financial holding company, posted a net profit of 539.8 billion won in 2009, down 71.2 percent from the previous year, the group said Wednesday. The fall came as the group experienced a double burden of rising credit costs and falling profitability as a result of piling up reserves for loan losses in a more conservative manner than its peers. The group recorded 17.8 billion won in net profit for the fourth quarter, down 89.7 percent compared to the same period in 2008.

Hyundai Sonata Soars to Top Tier in Residual Value

For drivers who seek to buy models with the least depreciation in prices, the 2011 Hyundai Sonata GLS might be the perfect fit as it is found to have the best-in-class residual value. The Automotive Lease Guide (ALG), the industry consultancy in the United States, gave a 36-month

residual value of 54 percent for the 2011 Sonata, one of the highest among the mid-size car category.

Founder Lee Embraced East, West Management

Samsung Group founder Lee Byung-chull created a unique style of business management by combining neo-Confucianism with management styles found in advanced countries, an economic scholar said. Under his leadership, Samsung became an archetype for chaebol, standing out among other Korean companies, according to Barjot.

POSCO Donates \$300,000 to Haiti Relief

POSCO, the nation's largest steelmaker, donated \$300,000 to Haiti relief Wednesday. Representatives of the company visited the Korean Red Cross and handed the donation to the organization. Also, the 78 million won (\$67,224) collected from employees through a week-long online contribution drive late last month was also given to the organization.

Koreas to hold talks on Gaeseong, Geumgang tour

South and North Korea are to discuss today resuming cross-border tours to the North's Mount Geumgang resort and historical border town of Gaeseong. Seoul suspended tours to Mount Geumgang after a South Korean tourist, Park Wang-ja, was shot to death by a North Korean soldier there in July 2008. The North barred South Korean tours to Gaeseong in December that year in protest of what it claimed was Seoul's "confrontational" policy. At today's talks, the South plans to push for new rules on the safety of tourists and a visit by South Korean officials to the site of Park's death.

S. Korea's OECD Economic Indicator Tops 100 for Dec.

South Korea's composite leading indicator (CLI) topped 100 for the eighth straight month in December of last year. According to the Organization for Economic Cooperation and Development (OECD), South Korea's CLI stood at 106-point-six in December, up three-tenths of a percentage point from November.

Korea Eyes \$45 Bil. Train Deal in US

Can Korea pull off another surprise in a bid for a global infrastructure project? Following its winning bid for the \$20 billion project for nuclear power plants in the United Arab Emirates, Korea is vying for a \$45 billion project to build a bullet train connecting San Francisco and Los Angeles, which is set to begin this year. By all accounts, the competition will be fiercer.

Does Anyone Want New Taxes on Food Waste?

The Ministry of Environment has put the brakes on Seoul City Hall's plan to allow the introduction of food waste disposal units at apartments and homes. As pertinent measures to the central government's plan to slash 20 percent of food waste disposal by 2012, the two have come up with very different approaches: placing garbage disposal units to homes or imposing a tax on waste generation. According to the city government, the disposal units will be installed at the 538-household Purgio apartment complex in Dangsan-dong for a test run this month. It will be considered for adoption in other residential areas.

83 Percent Back Incentive for Reserve Soldiers

More than 80 percent of people support the idea of giving additional points to men who have fulfilled their mandatory military duties when they take state-run exams to become civil servants, a poll showed Thursday. According to the survey conducted by the Military Manpower Administration (MMA), 83 percent of respondents said they support the incentive system. The poll of 1,500 adults was conducted between November and December last year.

Korea, Uzbekistan to Bolster Energy Ties

President Lee Myung-bak and his Uzbek counterpart Islam Karimov agreed Thursday to bolster energy ties and economic exchanges between Seoul and Tashkent to enhance their bilateral strategic partnership. Lee also promised to cooperate for the development of education, medical services and renewable energy sources in Uzbekistan and to share Korea's experience of economic development, the presidential office said.

Exports of Farm Products Rise 5% in 2009

South Korea's exports of agricultural products rose slightly last year, but failed to attain the government's target, the Ministry of Strategy and Finance said Thursday. The country posted \$4.6 billion in overall outbound shipments, up 5.1 percent from the previous year, but \$700 million short of its goal for 2009. Agricultural products accounted for 1.3 percent of Korea's overall exports.

Imports reached \$19.8 billion, taking up 6.1 percent of the entire goods and services brought into the country.

Korea Ranks 33rd in Global Labor Productivity Ranking

South Korean workers have long been known to be diligent and hard working, making a great contribution toward the Asian nation's emergence as one of the world's leading economies. They may stay late at the office and go to work on weekends to get more done, but their hard work does not seem to translate into improved labor productivity, which lags far behind their counterparts in other major world economies.

3-D Consortium Eyes Global Market

A Korean firm producing 3-D animated films says the 20 domestic venture companies with the top 3-D technologies in the country have formed a consortium to better advance into markets at home and abroad. Red Rover says the 20 firms, including itself, have launched a global 3-D consortium.

India Places 27 Regulations on Korean Imports

India has been found to be the most stringent regulator of South Korean imports. In a report Monday, the Korea Trade-Investment Promotion Agency (KOTRA) said South Korea was placed under 122 import regulations from 19 nations as of December.

Lee: Future Vision Needed for Balanced Regional Development

President Lee Myung-bak says there can be no progress on the issue of regional development if evaluations and calculations are made only from a political point of view

FM: Economy to Expand 5% in 2010

Minister of Strategy and Finance Yoon Jeung-hyun says Korea will post an economic growth rate of five percent in 2010. At an economic question-and-answer session at the National Assembly Tuesday, Yoon said the Korean economy would likely expand by rates similar to those posted prior to the global financial crisis in 2008. He added that he believes the global economy will continue to recover gradually.

Public Sector Debts Soared in '09

The debts of the government and state-run corporations snowballed last year to around 710 trillion won. The figure is equivalent to nearly 70 percent of gross domestic production. Debts held by state-run financial institutions, such as the Korea Deposit Insurance Corporation, stood at 154 trillion won.

Gov't to Reduce Deficit Next Year

The government will announce next month measures aimed at reducing its budget deficit next year. Minister of Strategy and Finance Yoon Jeung-hyun will make the announcement in an emergency economic council meeting in late March. The ministry plans to maintain its expansive fiscal policies for this year while reducing the budget deficit to below two-point-seven percent of gross domestic production.

Household Education Spending Tops W40 Tln.

South Korean households' annual spending on education has topped 40 trillion won despite the economic slump. According to the Bank of Korea, South Korean households spent more than 40-point-five trillion won on education between the fourth quarter of 2008 and the third quarter of 2009. The figure is up three-point-five percent from some 39-point-one trillion won in the same period of the previous 12-month stretch. This marks the first time education spending has exceeded 40 trillion won.

Govt Farm Corp. to Start Int'l Grain Company

The nation's state-run agriculture trading corporation has announced a plan to set up an international grain purchasing and distribution company as part of efforts to secure a stable food supply. The corporation will also seek to export domestic farm products to large-scale overseas grain distributors

Hyundai, Kia Post Top Sales in Russia in January

A Russian economic daily says Hyundai Motor and its affiliate Kia Motors both posted top sales in the Russian auto market last month.

SERI: Korea Could Face Financial Crisis in 30 Years

A leading private-sector think tank is forecasting that South Korea could see its national debt hit a figure equivalent to more than 90 percent of gross domestic product (GDP) between 2040 and 2050. The Samsung Economic Research Institute made the forecast in a report issued Thursday.

No. of 'Hi Seoul' Firms Hits 90

The number of firms that have been awarded the "Hi Seoul" designation has grown to 90 this year. The Seoul Metropolitan Government only gives the designation to companies that are either highly proficient in technology or deliver superior products.

IMF: Exit Strategy is Possible Next Year

The International Monetary Fund (IMF) says the introduction of an exit strategy from worldwide economic stimulus packages will be possible next year, given current international economic conditions. According to Bloomberg news agency on Wednesday, the IMF said in a recent report that the global economy is slowly gaining strength and that maintaining economic stimulus measures is necessary throughout this year. The report will be presented to the IMF's Executive Board.

Lee Orders Review of Public Firms' Debt

President Lee Myung-bak is calling for the government's active efforts to review the financial conditions of public firms. The call comes at a time when concerns are mounting over troublesome levels of state debt in multiple nations in Europe.

Korea Life says aims to raise \$2 bln in March IPO

Korea Life Insurance Co Ltd, the country's No. 2 life insurer, aims to raise up to \$2 billion at a premium valuation in March, in what could be the country's biggest initial public offering in four years. Korea Life, 67 percent owned by Hanwha Group firms, said on Thursday its IPO will offer 210 million shares at a price range of 9,000-11,000 won each. Of the 210 million shares, 80 million will come from its top shareholders, the company said in a filing to the regulatory Financial Supervisory Service, confirming an earlier Reuters story. A global recovery from the depths of the financial crisis and rising stock markets have lifted the outlooks for life insurers, for which investment returns are a key source of income. The South Korean stock market fell to a two-month low earlier this week, logging a 10 percent drop over three weeks.

Korea BOK chief plays down Europe woes impact

The head of South Korea's central bank on Thursday played down the impact of sovereign debt problems in European countries on the domestic economy and said local inflation pressures could build later this year.

Seoul shares up on banks, autos; BOK comments help

Seoul shares rose 1.8 percent on Thursday, posting their biggest percentage gain in over 10 weeks led by financials and autos and helped by the Bank of Korea governor's comments pointing to a steady rate stance.

Fiscal Deficit-GDP Ratio Posts 11-Year High

The ratio of the nation's fiscal deficit to gross domestic product (GDP) reached an eleven-year high last year. The Ministry of Strategy and Finance said Thursday that the operating budget balance posted a deficit of 51 trillion won last year, with the fiscal deficit ratio versus GDP reaching five percent.

Govt to Provide W14 Bln in Aid to Uzbekistan

The government says it will provide 14 billion won, or 12 million U.S. dollars, worth of unconditional aid to Uzbekistan this year.

Korea Benefits Less From Korean Wave Than Japan

Korea's cultural content providers rely on a single income source as they make money by exporting only cultural products, such as dramas and animation. But their Japanese counterparts

earn more profits through multiple income sources, a report released Friday said. According to the report, Korea's animation industry stands at a crossroads. The shift dealt a blow to local animation businesses. According to the Global Entertainment and Media Outlook (2008 to 2012), Korea ranked 9th in the overall ranking of global content business, accounting for 2.45 percent of the global market. The think tank called for establishing funds for the promotion of content business.

Telecom Wars Go Plastic

Koreans will soon be able to leave their wallets at home, with telecommunications operators and credit card companies teaming up to offer new ways of paying for goods using mobile devices. In technology-obsessed Korea, the mobile phone is already the digital version of the Swiss army knife, masquerading as handheld televisions and computers to complement its traditional role for voice communications. The trend of alliance between wireless operators and credit card companies indicate that these multifunctional handsets will soon be picking up a new trick in plastic payment.

Shinhan, Woori Rise Amid Global Crisis

In Chinese, "crisis" is composed of two letters, which mean "danger" and "chance," respectively. Here, one financial group has suffered after the global crisis, while other groups have risen by changing the crisis into opportunities. KB posted a net profit of 539.8 billion won in 2009, down 71.2 percent from the previous year, the group said Wednesday

Global Economy Sees Realism Replacing Pessimism

The mood at Davos last year was pessimistic. This year, it was realistic. It will have to wait until next year to become optimistic. This year's annual gathering of the great and the good at the World Economic Forum's annual event in Davos was themed, "Rethink, Redesign, Rebuild." There certainly was much rethinking and redesigning; now this needs to be followed through in the rebuilding. Sustainable recoveries certainly need sound foundations. This is particularly so with respect to the financial sector.

Artificial Floating Island Launches in Han River

The second of three artificial floating islands named "Viva" has been set on the Han River in Seoul. The first artificial island Vista will be launched next month and the third Terra in April.

South Korea to send 240 troops to Haiti to rebuild

South Korea's parliament has approved a plan to send 240 troops to Haiti to help rebuild the Caribbean nation hit by a devastating earthquake.

N. Korea food crisis to worsen

North Korea's severe food shortages are expected to worsen this year after a poor grain harvest in 2009, South Korean officials said on Wednesday. The unification ministry, which handles cross-border relations, said the communist state produced an estimated 4.11 million tons of grain last year, a five percent drop from 4.3 million tons in 2008.

Korean Dramas Captivate Young People in Nepal

Korean soap operas and dramas are in high demand in Nepal, as they are loaded with love, tragedy and family troubles and touching acting, scripts and plots.

In a country widely dominated by Western and Indian lifestyles, Korean soap operas, dramas, fashion and film are becoming increasingly popular. Korean dramas are also popular because they don't have frequent use of insulting language and rarely run for too long. But mainly people love them because they deal with love, tragedy and family problems in a vivid and lively manner, the traders and watchers agreed.

'Immigrants' Kids Need Protection'

The state human rights agency urged the justice ministry Monday to amend immigration rules and upgrade detention facilities to better protect the human rights of children who are being detained along with their parents who overstayed their visas. The National Human Rights Commission (NHRC) demanded the ministry set concrete guidelines to minimize the period of time during which such children are detained, increase the use of immediate deportation instead of detention and build independent facilities for children if their detention is unavoidable.

Illegal English Tutors May Face Taxation

An immigration officer indicated that the government may consider revising the current regulations to allow foreigners to tutor legally for money. The Korea Immigration Service has maintained that foreigners should not engage in any other activities beyond those their visa status permits. Currently, foreigners violating the Immigration Law are subject to deportation. However, education and tax authorities see that legalizing private tutoring by foreigners could be a solution to the problem. According to some parents and students in Gangnam, southern Seoul, many foreigners there earn 50,000 to 70,000 won per hour for private English tutoring sessions.

Gender Equality Improving in Seoul

Gender equality appears to be making headway in Seoul, with relevant indexes showing a steady increase in women's status and opportunities within society, according to a recent survey. According to the Seoul Foundation of Women and Family, the overall gender equality index for women marked 46.42 in 2008, a slight rise from 45.47 in 2007. Seoul is the capital so this index doesn't necessarily reflect an overall trend in the country. This means that for every 100 opportunities for men, women get 46.42.

Police Preparing for Terrorists Ahead of G-20

Police have set up five squads in a special task force to deal with crimes committed by foreigners, potentially including terrorists ahead of the G-20 summit scheduled for November in Seoul. Seoul Metropolitan Police Agency said they had been short on manpower to efficiently deal with international crimes during the G-20 summit, and crimes committed by foreign residents here.

Court Falls a Step Shy on Child Rape Guidelines

A committee of judges set up by the Supreme Court disclosed guidelines on child molesters Monday that could put them behind bars for life, reflecting nationwide antipathy toward such criminals. Currently, a life sentence is given to those who have committed "serious" crimes such as murder, treason and staging a coup.

Visa Problems Big Headache for Foreigners

What troubles foreigners living in Korea the most are visa-related problems, the Anti-Corruption and Civil Rights Commission (ACRC) said Tuesday. They also complain about difficulties in dealing with labor issues such as overdue wages and unfair dismissals, the commission said about findings from its research.

Dead Man Revived After 18 Minutes

A man has survived against the odds after a heart attack which caused his heart to stop beating for 18 minutes, according to BBC. Doctors say people can normally survive for up to four minutes after they stop breathing. They are likely to die or suffer serious brain damage after that. He was allowed home Sunday but his short-term memory has been affected by the ordeal.

3.0 Magnitude Quake Rattles Seoul

A magnitude 3.0 earthquake occurred with its epicenter located just outside western Seoul, Tuesday evening. Some citizens, apparently alarmed by a recent major tremor that hit Haiti, called fire stations and media outlets for confirmation of the temblor, although no injuries or serious property damage were reported. According to the Korea Meteorological Administration (KMA), the earthquake occurred at 6:08 p.m. in an area about 8 kilometers north of Siheung, a satellite town in Gyeonggi Province on the outskirts of the capital.

No new high schools in 2014

The Seoul education office has decided not to permit the establishment of new high schools in 2014 for the first time in 13 years, due to a declining number of students. The Seoul Metropolitan Office of Education plans to allow for 10 new high schools by 2013.

Busan Orphanage Band to Perform at Carnegie Hall

An orchestra from an orphanage in Busan will perform at Carnegie Hall in New York on Thursday, Eastern Standard Time.

The Tomato, figure-skating queen, top Forbes list

An athlete nicknamed after a tomato because of his flaming red hair and a regal South Korean figure skater head the Forbes list of top earning Winter Olympic athletes. Shaun White, the top U.S. snowboarder, and South Korean figure skater Kim Yu-na both earned \$8 million last year, leading all athletes for the Winter games, according to Forbes magazine.

Koreas will not march together in Vancouver: IOC

The teams from North and South Korea will not march together at the Vancouver Olympics opening ceremony on Friday as they have done in previous Games, the International Olympic Committee said on Wednesday.

No. of Female Taxpayers Increases

The government's tax revenue from working women is on the rise. According to the National Tax Service, women accounted for more than 40 percent of the more than three-point-five million tax-paying workers in 2008.

Restoration of Sungnyemun Gate to Begin Wednesday

The restoration of the Sungnyemun city gate, national treasure No. 1, will begin Wednesday, two years after the Joseon Dynasty landmark was burned down by an arsonist. The reconstruction work will focus not only on rebuilding the 610-year-old gate but also restoring parts of the Seoul fortress that were destroyed during Japan's colonial period.

Sungnyemun Restoration Begins

Work to restore and rebuild Korea's first national treasure "Sungnyemun" has begun in earnest. The 600-year-old gate, also known as Namdaemun, collapsed after it was set ablaze by an arsonist in February 2008.

Assembly Approves Peacekeeping Dispatch to Haiti

The National Assembly approved a motion on South Korea's dispatch of peacekeeping forces to earthquake-ravaged Haiti in a plenary meeting on Tuesday. All of the 173 lawmakers present at the meeting voted for the motion. The peacekeeping forces will leave for Haiti as early as this week.

More criminal convict appeals

Over 60 percent of those handed down criminal sentences in the lower court made an appeal and 40 percent of them had their cases returned to the original court for retrial last year, according to the Supreme Court. The figure was a 4.8 percent rise from that of the previous year, according to officials. This is further boosted by the high rate of cases annulled by the appeal court.

Number of organ donors surges 10-fold in 10 years

The number of pledged organ donors has increased more than 10-fold over the past decade, a state-run organ donation agency said yesterday. According to the Korean Network for Organ Sharing, which marks its 10th anniversary today, nearly 600,000 people have expressed their wish to donate organs as of December last year, up from 46,948 in 2000.

Gov't to revise law on sex crimes against minors

The government will submit a bill before parliament that calls for revising a law on sex crimes against minors by calculating the statute of limitations after the victim comes of age, the prime minister's office said Tuesday, according to Yonhap News.

Teachers' bonuses to be linked to schools' performance

Performance-based bonuses for teachers at primary and secondary schools across the country will be linked to their schools' overall performance, beginning next year, the Education Ministry said yesterday.

SAT Lecturer Banned From Leaving Korea

A star lecturer teaching students wanting to take the U.S. Scholastic Aptitude Test (SAT) was banned Wednesday from leaving the country in connection with the ongoing police investigation into a widening scandal over the leaks of the test questions.

Noted SAT Lecturer's Credentials 'All Lies'

A star lecturer, who is under investigation over Scholastic Aptitude Test (SAT) leak cases, has been found to have lied about his academic credentials. Jeffrey Sohn, who is suspected of having divulged SAT questions, introduced himself as having a Ph.D. degree in politics from Columbia University, while teaching at private institutes in affluent Gangnam, southern Seoul.

Only 2 in 10 Admitted to High School of Choice

About 22 percent of middle school seniors in Seoul have been enrolled at their preferred high schools. Seoul Metropolitan Office of Education announced Thursday a total of 86,852 high school hopefuls applied for schools and 3,199 students, some 22 percent of the total, have been admitted to their preferred schools. Previously high schools, except for specialized schools, had recruited students according to their place of residence and through a lottery.

Foundation raises funds for multicultural children

A scholarship foundation for students from multicultural families yesterday held its first fundraising event since launching in May last year. The foundation, led by two-term Grand National Party lawmaker Lim Hae-kyu, aims to raise 60 million won (\$51,281) this year to select a total of 20 students - 15 from high schools and five from universities - to offer academic support grants.

Get started early

BEAUTY experts advise women to take preventive measures against signs of ageing starting at 25 years old. When our body's metabolism begins to slow down (by late your 20s), the first signs of ageing (think: fine lines around the eyes and mouth) often appear. A research conducted by Unza and AC Nielsen found that a large percentage of young Malaysian women are unaware of the importance of anti-ageing products. The study, conducted last September, revealed that only 10% of women between 25 and 35 years old used anti-ageing skincare products.

Seoul Gov't to Create Park in Tashkent

The Seoul Metropolitan Government has decided to build a park in Uzbekistan's capital of Tashkent by 2012. Tashkent will provide the plot of land and Seoul will cover the costs associated with creating "Seoul Park." The Seoul Metropolitan Government adopted a friendship accord with Tashkent in 2006. Since then, the two sides have been conducting a variety of civil exchanges.

Depression is main cause of suicides

"Depression is sometimes described as a 'mental flu.' That may be because it is a common disease that can be cured easily. However, for me, depression was more like pneumonia that threatened my life," a woman wrote on her depression experiences. The woman in her late 30s suffered depression after her husband was diagnosed with rectal cancer a few years ago. Because it was right after delivering her daughter, her illness developed severely.

What Motivated Koreans to Develop Nation?

It is hard to appreciate, as Korea submits its bid to host another Olympics and marshals its ideas for the advanced nation debate as chair of the G-20, that this country was once dirt poor.

But, when President Lee Myung-bak was a boy, the annual per capita gross national product was just \$80. That put Koreans behind Indians and level with the Sudanese. People still lived, begged and died on the streets. One part of the answer is leadership. Without Park Chung-hee, the army general who seized power in May 1961, Korea may today be limping along like Burma or the Philippines. Park was an extraordinary character, an "economic warrior," in the words of the

author Mark Clifford, in "Troubled Tiger," his book on Korean development: To implement his plans, Park made a conscious decision to avoid development via hundreds of small and medium enterprises. He considered this approach in Taiwan, under the Nationalist dictator Chiang Kai-shek, to be wrong for Korea. One reason that Korean development was not predicted by any single expert (local or foreign) was that, all other conditions aside, Koreans had not traditionally valued hard work or commerce. Such endeavors were for the lower orders, they thought. The most virtuous occupation was government service, where the afternoon nap, smoke of the pipe and composing of a poem took priority over service to the unwashed masses.

6 Arrested Over Murder of Korean Businessman in Guatemala

Six people including two Koreans, suspected of killing a Korean businessman in Guatemala, have been arrested by local police, according to a source at the Ministry of Foreign Affairs and Trade, Friday. The 56-year-old victim identified by his surname Song appeared to become the target of the suspects after he won \$240,000 at a casino, it added.

New Adoption Policy Backfires

The government has approved a policy that reduces the number of babies eligible for overseas adoption but the plan is showing signs of backfiring, depriving children with special needs of chances to be placed with qualified parents. According to social welfare officials specializing in adoption, the current system needs to be changed to increase the opportunities for children with special needs to be taken in by parents overseas or domestically. But considering Koreans' long-held reluctance to adopt, the plan was ill-conceived, they say.

Take Regular Breaks; Keep Heater at Moderate Temp

Driving home for the three-day Seollal holiday, which starts today, is likely to take longer than usual, so those who drive should take special precautions. A civic group that promotes safe driving has come up with "10 commandments" for travelers, ranging from taking regular breaks to picking a less congested time for departure.

17 Teachers Get 'Forced Transfers'

Seventeen teachers in Seoul have been transferred to other schools due to poor performance as assessed by their principals. The transfers mark the first time that school administrators have exercised their new authority to evaluate teachers and hand down punitive measures.

The moves are expected to be met with opposition from unionized teachers concerned with principals wielding too much power.

8 High School Girls Booked for Bullying

The Central District Police Station in Ulsan Friday booked eight high school girls without detention for bullying middle school students and taking their pocket money. According to police, the bullies threatened a total of 20 middle school students and demanded 600,000 won, 30,000 won from each. One of the booked students, identified by her surname, Kim, blackmailed the victims, threatening to pelt them with flour or eggs to spoil their graduation day

Summary of Report (Japan)

Politico-Strategic Front

Abbas visits Hiroshima

PALESTINIAN President Mahmud Abbas kicked off his Asian tour on Sunday in the Japanese city of Hiroshima ahead of a meeting with Prime Minister Yukio Hatoyama.

Japan is one of the top donors for the Palestinian territories, providing more than one billion dollars in aid since 1993.

Ministers agree G-7 will live on

THE Group of Seven will persist as an elite club of rich nations for discussing global issues, its finance ministers have agreed, a source told AFP on Saturday amid doubts over its ongoing relevance. Finance ministers and central bankers from Canada, the United States, France, Germany, Italy, Japan and Britain on Saturday wrapped up two-day talks in Canada's far north aimed at firming a tentative global economic recovery.

Ozawa should quit DPJ anyway

MOST Japanese feel ruling party kingpin Ichiro Ozawa should quit his secretary-general post even though public prosecutors have not been able to substantiate claims that he had violated political funding controls. A survey published yesterday by the influential Asahi Shimbun daily showed that 68 per cent of voters thought he should give up his powerful position in the Democratic Party of Japan (DPJ).

Support for Japan PM dives

DISAPPROVAL ratings for Japanese Prime Minister Yukio Hatoyama exceeded his approval ratings for the first time since he came to power last year, newspapers reported on Sunday amid a simmering money scandal.

Support Ozawa stresses PM

JAPAN'S centre-left Prime Minister Yukio Hatoyama said Monday he supported his party's secretary general who days earlier avoided being indicted over a political funds scandal. Three weekend polls said around 70 per cent of Japanese voters want Ichiro Ozawa to step down as the number two in the Democratic Party of Japan (DPJ) over the scandal, in which three current or former Ozawa aides were indicted.

Hatoyama is tax-dodging king: Yosano

Rich mom's sworn testimony urged, Slamming Prime Minister Yukio Hatoyama as "the king of tax evasion in the Heisei Era," the opposition camp Friday continued to attack the ruling Democratic Party of Japan over its recent political funds scandals.

Somali minister appeals for aid

The foreign minister of the Somali transitional government is calling on Japan to provide more help to the peace-building process in the African country, which remains a hotbed of Islamist insurgents and pirates. In January last year, the U.N. Security Council unanimously adopted a resolution basically agreeing on the need to deploy a U.N. peacekeeping force in Somalia, but so far no such force has been dispatched

Japan PM sees new reform minister lifting support

Japanese Prime Minister Yukio Hatoyama said on Wednesday he will appoint a member of a waste-cutting task force as administrative reform minister, in a bid to boost flagging support ahead of a mid-year election.

Japan apologizes for colonial rule of Korea

Japanese Foreign Minister Katsuya Okada on Thursday apologized to South Korea for the more than three decades when Japan ruled over Korea, calling the time a "tragic incident." Okada made the rare apology during a joint news conference with South Korean Foreign Minister Yu Myung-hwan, Korean state-run media reported.

Over 70% want Ozawa to resign

Cabinet disapproval rate hits 45.1% in poll. More than 70 percent of people surveyed believe Ichiro Ozawa should resign as secretary general of the ruling Democratic Party of Japan, despite dodging an indictment over a funding scandal, a nationwide poll showed Saturday. The disapproval rate for the Cabinet of Prime Minister Yukio Hatoyama edged up to 45.1 percent, staying above the approval rate for the second consecutive poll, the latest survey showed.

Kan, Geithner hold talks at G-7

Finance Minister Naoto Kan said Friday he discussed a range of "sensitive issues" with U.S. Treasury Secretary Timothy Geithner ahead of a meeting of the Group of Seven industrial powers. But Kan told reporters he was asked by Geithner not to disclose the details of their talks, though noting that Japan and the United States shared views that the two countries face "sort of similar difficulties" in rebuilding economic growth and public finances.

Hatoyama vows to resolve territorial row with Russia

Prime Minister Yukio Hatoyama on Sunday expressed his determination to resolve a territorial dispute with Russia at an annual rally to press for the early return of four Russian-held islands off Hokkaido, describing settlement of the issue as "the biggest wish" of his administration.

Abbas begins Japan trip with visit to A-bomb museum

Palestinian Authority President Mahmoud Abbas arrived in Japan on Sunday for a four-day visit as part of his Asian tour and visited Hiroshima for the first time. After offering flowers at the cenotaph for the victims of the 1945 U.S. atomic bombing of the city, Abbas went to the Hiroshima Peace Memorial Museum and wrote in a visitors' book that his heart bleeds for the calamities of Hiroshima and Nagasaki, the other Japanese city to suffer an atomic bombing.

DPJ's Ishikawa to stay on despite indictment

Democratic Party of Japan lawmaker Tomohiro Ishikawa on Sunday expressed his intention not to resign as a lawmaker or leave the ruling party following his indictment on a charge of falsely reporting DPJ Secretary General Ichiro Ozawa's political funds, an official at the party's local branch in Hokkaido said.

Ministers need longer terms to build international presence: Kan

Japanese Finance Minister Naoto Kan said Saturday that Cabinet members should serve for at least three or four years to give Japan more of a presence on the international stage.

Asked whether he wants to remain in his new post for the next three or four years, Kan said he was not speaking about his personal situation.

Advisory panel for Japan, China relations meets in Beijing

Intellectuals from Japan and China began a five-day meeting in China on Sunday to discuss ways to boost bilateral relations over the medium to long term.

The new Japan-China friendship committee for the 21st century, an advisory panel to the two governments, is scheduled to meet with Chinese Premier Wen Jiabao in Beijing on Monday, according to the Japanese Foreign Ministry.

Is Japan-bashing behind Toyota's U.S. woes?

Despite the criticism leveled against Toyota over car safety, Japanese still largely view the world's largest automaker with pride — so much so that some wonder whether pressure on Toyota in the U.S. is a ploy to boost American automakers and undermine Japan Inc.

Hatoyama says Ozawa can stay

Prime minister 'wants me to continue giving my best'

Democratic Party of Japan kingpin Ichiro Ozawa on Monday was given the go sign to remain as the party's secretary general by Prime Minister Yukio Hatoyama despite mounting public calls that he step down over his fund management body's involvement in a shady Tokyo land purchase.

Abbas stresses resuming peace talks

Palestine President Mahmoud Abbas and Prime Minister Yukio Hatoyama agreed Monday in Tokyo that Israel and Palestine must quickly resume their stalled peace talks. Hatoyama also vowed Japan's support for efforts by Abbas to seek a two-state solution through negotiations, officials said. During a joint news conference after their meeting, Hatoyama praised Abbas' strong will to achieve peace in the Middle East.

14 prefectures oppose foreign vote

Fourteen prefectural assemblies have adopted statements against giving permanent foreign residents the right to vote in local elections since the Democratic Party of Japan took power last year. Before the launch in September of Yukio Hatoyama's administration, 31 prefectural assemblies took an affirmative stance, but six of them have since turned against it.

Give activists fair trial, Greenpeace demands

Greenpeace activists staged a protest outside the Japanese Embassy in Jakarta on Monday to call for a fair trial of two of their colleagues in Japan who were arrested after exposing the alleged smuggling of whale meat under a government-sponsored research whaling program.

Seoul presses for royal documents

Seoul is working to secure the handover of hundreds of volumes of Korean royal documents, including official records of the royal family, that were looted during Japan's 1910-1945 colonial rule of the Korean Peninsula, Yonhap News Agency reported Monday.

Minke population not growing: U.S. study

The population of Antarctic minke whales has not increased even though larger whales they competed with for food were whittled down by hunting, according to a recent study by U.S. researchers, countering arguments Japan cites as a reason for conducting lethal research. The Fisheries Agency and researchers have hypothesized that Antarctic minke whales may have increased as a result of lesser competition for the krill they feed on.

NGOs air concerns over strife in Gaza Strip

Japanese nongovernmental organizations and Diet members expressed serious concern Tuesday over the conflict-ravaged Gaza Strip, urging the government and the international community to be more proactive in working toward peace in the Middle East.

Aid for Somalia

Foreign Minister Katsuya Okada has told his counterpart from the Somali transitional government that Japan will offer \$35.2 million for police assistance, infrastructure maintenance and other purposes, a Foreign Ministry official said.

U.S. friends in high places involved in Toyota probe

Toyota has friends in high places in Washington, including some of the very people now investigating the carmaker. The company has sought to sow good will and win allies with lobbying, charitable giving, racing in the American-as-apple pie NASCAR series and, perhaps most important, creating jobs. Lawmakers on the committees investigating Toyota's massive recall represent states where Toyota has factories and the coveted well-paying manufacturing jobs they bring. Some members of Congress have been such cheerleaders for Toyota that the public may wonder how they can act objectively as government watchdogs for auto safety and oversight. The company's executives include a former employee of the federal agency that is supposed to oversee the automaker.

Hiroshima will reassess reach of 'black rain'

The Hiroshima Municipal Government said Tuesday it will re-examine the extent of the radioactive "black rain" that fell after the 1945 U.S. atomic bombing of the city. The two-year study beginning in April is the first such review in about 20 years, the city said.

Antinuclear meeting, An international antinuclear conference in Nagasaki has urged countries with nuclear arms to halt further development of the weapons.

Occupation censored Unit 731 ex-members' mail: secret paper

A public document has recently come to light that shows the U.S. military ordered Occupation authorities to censor the mail of former members of Unit 731, the Imperial Japanese Army section that conducted bacterial warfare experiments on people, a Tokyo-based historian said.

Stowaway stirs worry over air security

A body found in the landing-gear bay of a Delta Air Lines Inc. jet that flew to Narita International Airport from New York may spur a fresh review of U.S. aviation security. Lack of oxygen or hypothermia probably killed the stowaway, said a police official at Narita who asked

not to be identified because of department policy. The dark-skinned male corpse in civilian clothes with no identification was discovered Sunday, the police official said.

Indicted lawmaker Ishikawa to quit DPJ

Outcry over Ozawa scandal role forces about-face. Democratic Party of Japan lawmaker Tomohiro Ishikawa, who has been charged with misreporting money in DPJ Secretary General Ichiro Ozawa's fund management body, plans to leave the party, possibly Friday, a DPJ source said Wednesday.

Edano tasked with polishing Cabinet's image

Democratic Party of Japan lawmaker Yukio Edano was appointed the new administrative reform minister Wednesday, as the Hatoyama administration works to clean up the Cabinet's scandal-tainted image. Edano, 45, was a key figure in the government task force set up late last year that succeeded in trimming ¥677 billion from the previous administration's budget. He is one of the few DPJ lawmakers to have openly criticized DPJ Secretary General Ichiro Ozawa over his dubious political funding.

Allies to air Futenma ideas

The two junior partners in the ruling bloc will present their relocation proposals for the U.S. Futenma airfield on Feb. 17, said the government committee trying to find alternatives to the current plan.

Mariana chiefs happy to reap all of Futenma

Northern Mariana Islands, the U.S. commonwealth including Tinian, is willing to host the whole U.S. Marine Corps Air Station Futenma now in Okinawa, local leaders said Wednesday, citing the economic benefits. While the commonwealth governor, Benigno Fitial, did not specify which region may be the prime candidate site, Tinian Mayor Ramon M. Dela Cruz told Kyodo News earlier in the day that his island can accept the marine units.

LDP struggling in vain to rebuild

Stuck in a rut with no ideology

Taking the podium last month at the Liberal Democratic Party's first convention since its fall from power at the hands of voters last summer, Katsuya Nomura, former manager of the Tohoku Rakuten Golden Eagles baseball team, had a few words of advice for the LDP.

Mr. Hatoyama's bold move

In a bold and surprising move, Prime Minister Yukio Hatoyama Wednesday appointed Mr. Yukio Edano, a 45-year-old Democratic Party of Japan Lower House member, as administrative reform minister. Mr. Edano, well-versed in policy matters, is highly qualified as a government waste-cutter. His joining the Cabinet will not only lighten the burden of Mr. Yoshito Sengoku, who has doubled as administrative reform minister and national strategy minister, but also help strengthen the Cabinet's overall ability to implement policy measures.

Tokyo to get panda pair from China, for under \$1 million

Ueno Zoo in Tokyo is expected to receive a pair of giant pandas from China early next year, Tokyo Gov. Shintaro Ishihara said Friday, unveiling a plan that would mark the return of the popular animals to the country's oldest zoo three years after the death of its last panda.

Objection filed over letting Ozawa off hook

A citizens' group asked an independent judicial panel Friday to look into last week's decision by prosecutors not to charge Democratic Party of Japan Secretary General Ichiro Ozawa over alleged false reporting of political funds at his fund management body.

Economic front

Toyota president sidesteps issue of Prius recall

Just when it seemed like the head of Toyota Motor Corp. would keep a low profile until the firm's recall troubles wind down, President Akio Toyoda made a surprise public appearance and offered a solemn apology to anxious consumers.

Toyota readies for a recall over 170,000 Prius hybrids in Japan

Toyota Motor Corp. has decided to recall and repair free of charge the latest model of its Prius hybrid sold in the domestic market due to complaints over brake problems, sources close to the matter said Sunday. Subject to the recall are at least 170,000 units of the Prius car, which went on the market last May. Prius recalls would deal a heavy blow to the automaker, which has already recalled millions of vehicles from other product lines around the world over different problems.

U.S. Toyota dealers to begin fixing Prius brake problems

Toyota Motor Corp. has informed its dealers in the United States that it will begin repairing the brakes of the Prius hybrid next week, industry sources said Saturday.

Toyota's moment of crisis

Toyota Motor Corp. is in a crisis of critical proportions, the worst in its 70-plus-year history. The firm has voluntarily recalled millions of vehicles worldwide, and has suspended the production and sale of several models in the United States. At stake is the firm's credibility in Japan and overseas as a trustworthy manufacturer of safe and reliable automobiles

¥100 million wins uninhabited isle

An unidentified organization won a contract Tuesday to buy an uninhabited islet in the Seto Inland Sea off Kure, Hiroshima Prefecture, for about ¥100 million, bidders said. The islet is one of two collectively called Mitsugo Island, located about 1 km off Kure. It measures about 580 meters in circumference and covers 7,600 sq. meters. The Finance Ministry held the bidding as part of efforts to sell idle government-owned property.

Ozawa, wife worth ¥2 billion

Democratic Party of Japan Secretary General Ichiro Ozawa and his wife had assets with an estimated market value of at least ¥1.974 billion as of late August, according to a Kyodo News tally based on filings by Ozawa as required by law and officially registered data on his wife's assets. Ozawa has been under fire for the alleged misreporting of funds by his political money management body and a lack of adequate explanations about his record-keeping. This is the first time that a glimpse has been taken into the couple's asset portfolio. Funds kept at home are not included.

Toyota set to recall Prius cars in Japan

Toyota is expected to announce a recall of its Prius hybrids in Japan to fix braking problems, Japanese media reported yesterday. The car giant decided on Saturday on a recall in Japan covering its latest Prius model and has notified domestic dealers, the largest-circulating Yomiuri Shimbun reported, citing unnamed sources.

Panasonic regained global patent application lead in '09

Panasonic Corp. filed more patent applications than any other company in 2009, surpassing China's Huawei Technologies Co. to take the top spot for patent filings for the first time in two

years, according to the World Intellectual Property Organization. Panasonic filed 1,891 applications last year, up by 162 from the previous year, compared with 1,847 by Huawei Technologies.

Bill would turn Japan Post into three firms

The government unveiled a draft bill Monday to review the postal privatization process, proposing a realignment of the Japan Post group into three companies from the current five. The draft calls for a merger of postal service businesses to provide nationwide uniform financial services, particularly savings and insurance.

Cosmo Oil to buy wind power firm

Cosmo Oil Co. said Tuesday it will make a major push into the wind power generation business by taking over EcoPower Co., a major player in the field, around late March. Cosmo said it will acquire a 98.8 percent equity stake in the subsidiary of Ebara Corp. for ¥1 while taking over the wind power firm's debts worth some ¥15 billion, after Ebara injects ¥4.85 billion worth of capital into EcoPower.

Hiroshima added to ANA cargo service

All Nippon Airways Co. has launched a nighttime cargo delivery service to five areas in Asia from Hiroshima Airport via Tokyo's Haneda and Okinawa's Naha airports. The service shortens the air cargo delivery time from Hiroshima by around half a day compared with trucking cargo to Kansai International Airport near Osaka, according to ANA.

It's official: JAL rules out Delta ties

Inamori wants ailing carrier to stay allied with American, oneworld; antitrust OK next quest Japan Airlines Corp. will maintain its partnership with AMR Corp.'s American Airlines, rejecting an offer from Delta Air Lines Inc., JAL said in a statement Tuesday. The two carriers will apply for antitrust immunity from Japanese and U.S. regulatory authorities for the trans-Pacific routes, JAL also said.

Toyota the city rides out the storm

Troubled car giant's namesake home in for a penny, in for a pound in its hometown, the great automaker has lost some of its mystique. Rising out of the barren winter rice fields of Aichi Prefecture, this city of 400,000 is probably the most Toyota-friendly place on the planet. Renamed after the company 51 years ago, it hosts the corporate headquarters as well as enormous factories and is beholden to the automaker for tens of thousands of jobs and the bulk of its tax income.

Toyota tries to cover all bases

Damage control in public and behind scenes in Washington; In public, Toyota is running apologetic TV ads and vowing to win back customers' trust. Behind the scenes, the besieged carmaker is trying to learn all it can about congressional investigations, maybe even steer them if it can. It's part of an all-out drive by the automaker to redeem its once unassailable brand — hit anew Tuesday as its global recall ballooned to 8.5 million cars and trucks. The day's safety recall of 440,000 of its flagship Prius and other hybrids, plus a Tokyo news conference where the company's president read a statement in English pledging to "regain the confidence of our customers," underscored a determination to keep buyers' faith from sinking to unrecoverable depths.

Honda adds 437,000 cars to air bag recall

Global total approaches 1 million units, Honda Motor Co. is adding 437,000 vehicles to its 15-month-old global recall for faulty air bags in the latest quality problem to hit a Japanese automaker. The company will replace the driver's side air bag inflator on the cars because they can deploy with too much pressure, causing the inflator to rupture and injure or kill the driver. In Japan, the recall covers three models, including the 2001 Inspire sedan.

Japan's debt swells to ¥871 trillion

The outstanding balance of the central government's debts — government bonds, borrowings and financing bills — totaled ¥871.51 trillion at the end of 2009, an all-time high and up ¥6.99 trillion from the end of September, the Finance Ministry said Wednesday. The total translates into roughly ¥6.83 million per capita.

Toyota to visit U.S. next month to talk up safety, explain things

Toyota Motor Corp. President Akio Toyoda will tour the United States next month on a trip expected to focus on his company's handling of safety problems, company sources said Thursday. Toyoda has decided to delay his scheduled U.S. visit, which had been originally planned for this week, until early March due to heavy snowfall in Washington. He will likely meet with Transport Secretary Ray LaHood and other U.S. government officials, the sources said.

IT firm execs held for padding sales

Prosecutors arrested two former executives of a bankrupt information system firm Thursday on suspicion of submitting false earnings reports with padded sales. The Yokohama District Public Prosecutor's Office arrested Ikuo Suesada, 62, former chairman of Niws Co., and Koichi Omura,

68, former vice chairman of the company, after joint investigations with the Securities and Exchange Surveillance Commission.

Japan State-Backed Fund Eyes Auto, Technology Firms (Update1) Share Business

Innovation Network Corporation of Japan, the government-backed investment fund started in July, is looking at the nation's automotive industry and technology companies for its first investment, an executive said.

Fresh questions over response

TOYOTA'S handling of dangerous defects in its cars came under fresh scrutiny on Monday as the group was reported to be planning a global recall of 300,000 Prius hybrids worldwide over a brake problem.

Kirin-Suntory merger off

JAPANESE beer and soft drink giant Kirin said on Monday it had terminated months-long merger talks with its smaller rival Suntory that had aimed to create a top industry player in Asia.

Plane seats data fabricated

JAPANESE airplane seat maker Koito Industries has said it had fabricated safety data on 150,000 seats used by 32 carriers, the latest trouble to hit the country's reputation for reliability. The seats manufactured by the Yokohama-based firm are used in about 1,000 Boeing and Airbus aircraft, including more than 300 planes of the two major Japanese carriers Japan Airlines and All Nippon Airways. Its international customers include Air Canada, KLM, Scandinavian Airlines and Singapore Airlines.

JAL to stay with AA

JAPAN Airlines has decided to maintain its current tie-up with American Airlines and will end talks with Delta Air Lines, local media reported on Monday. American Airlines and Delta Air Lines are competing to take a stake in JAL despite its bankruptcy filing last month with US\$26 billion (S\$36.9 billion) of debt - one of Japan's biggest ever corporate failures.

Nikkei up 1 pct on reports of Greece aid plan, yen

Japan's Nikkei stock average rose 1 percent on Wednesday after reports of an aid plan for heavily indebted Greece eased worries about global economic stability, while a weaker yen buoyed exporters such as Canon Inc ([7751.T](#)).

TOYOTA GAINS, HONDA FALLS

In the latest blow to its reputation, Toyota said in a document sent to U.S. dealers and obtained by Reuters that 2010 Camrys equipped with a 4-cylinder engine might have a shorter-than-required power steering pressure hose in the engine compartment. Toyota shares rose 0.6 percent to 3,395 yen after briefly dipping into negative territory.

Honda expands airbag recall as more Toyotas probed

Honda Motor Co said it would recall another 440,000 cars around the world for faulty airbags as rival Toyota Motor Corp faced further probes over its largest-ever safety crisis. Honda, Japan's No.2 automaker, said the faulty airbags had previously been linked to one fatality and a total 11 injuries in the United States, but no accidents elsewhere.

While auto recalls are not uncommon and the size of Honda's is not massive, it comes at a sensitive time for the industry.

Japan bank lending slides as funding demand weak

Bank lending posts biggest fall in more than 4 years, Japanese bank lending logged its biggest annual fall in more than four years in January as companies faced with overcapacity and a murky economic outlook steered clear of borrowing for capital investment purposes. The softness in domestic demand could also be seen in Japan's current account surplus, which surged more than fivefold in the year to December thanks to a recovery in exports.

While that bodes well for the outlook for an export-led recovery, Bank of Japan Deputy Governor Hirohide Yamaguchi said the economy could linger in the doldrums until around the summer before getting back on a more sustainable course to recovery. Japan's current account surplus rose 452.8 percent in the year to December, supported by a recovery in exports, which some said would continue to support the economy. The balance of payments slipped to a rare deficit last January as the financial crisis battered exports and cut gains in overseas investments. It has been in the black since then.

Obama to Toyota: 'act decisively'

U.S. President Barack Obama urged Toyota Motor Corp. to "act decisively" in the disclosure of safety issues following massive global recalls reaching around 8 million vehicles, according to the online edition of Business-Week on Thursday. In a press conference earlier this week,

Toyota said he wants to visit the United States to give an explanation in his "own words" to the U.S. government and congressional members on the recalls that have tarnished the carmaker's reputation for quality. Sources earlier said he plans to make the visit in early March.

1 Japan said Wed machinery orders jumped 20% in Dec

Japanese machinery orders, a closely watched indicator of future business investment, rose in December for the first time in three months, the government said Wednesday. Core machinery orders surpassed expectations, jumping 20.1 percent from the previous month to 751.2 billion yen (\$8.4 billion), according to the Cabinet Office report. Overseas orders rose 20.9 percent. The Cabinet Office predicts that in the January-March quarter, orders will expand 2 percent from the previous quarter.

Japanese firm ordered to fix airline seats

The Japanese government has ordered repairs to seats aboard planes operating in several countries after accusing the manufacturer of falsifying safety test results. Koito Industries Ltd. falsified fire- and shock-resistance test results in the design and manufacturing of its aircraft seats, the Japanese Transport Ministry said in a news release.

Temps again get short end?

Labor bill loopholes may let manufacturers still have 'disposable' ranks. The Hatoyama administration is working on an amendment to the job dispatch law in an effort to provide greater security to temporary workers hit by the economic slump.

But observers worry that the Democratic Party of Japan-led ruling coalition is backing away from a campaign promise to drastically overhaul the law. This threatens to leave nonregular workers out in the cold.

Toyota to reveal all safety fixes to mend image

Toyota Motor Corp. will disclose more information on safety repairs it carries out that are not the subject of recalls, amid growing criticism that the automaker has covered up complaints about its best-selling Prius hybrid, company officials said Friday. Automakers often make adjustments to new models in response to customer feedback, but such repairs are not usually publicized.

H.I.S. now says it will aid Huis Ten Bosch rescue

Travel agency H.I.S. Co. said Friday it will provide financial assistance to struggling theme park Huis Ten Bosch in Sasebo, Nagasaki Prefecture, to help in its turnaround efforts. H.I.S. said it has made the decision to aid in the rehabilitation of the theme park after judging it will help

promote tourism in the region. Sawada said the Tokyo-based H.I.S. will focus on attracting visitors from China and South Korea.

¥100 billion eyed for power, EV loans

Prime Minister Yukio Hatoyama's Cabinet endorsed planned legislation to offer ¥100 billion in low-interest loans to developers of electric cars and solar and nuclear power. The government will offer financing at rates about 0.2 to 0.3 percentage point lower than ordinary commercial loans to developers of photovoltaic cells, lithium-ion rechargeable batteries and nuclear reactors, Tetsuya Hamabe, director of the trade ministry's industrial finance division, told reporters Friday.

Nissan mulls new small-car partner after Suzuki-VW deal

Nissan Motor Co. said it may need to find a new partner to manufacture its European small cars after Volkswagen AG bought a stake in Suzuki Motor Corp., which supplies Nissan's Pixo model. Nissan, Japan's third-largest automaker, hopes the supply deal will continue and doesn't have the volume or vehicle designs to make European city cars profitably itself, Dodge said

Overseas mining rights law to take effect in July: official

A law to help domestic companies acquire overseas mining rights is expected to take effect July 1, according to a government official. The Cabinet will proceed with the legislation for Japan Oil, Gas and Metals National Corp., Tsuneyuki Kato, a director at the Ministry of Economy, Trade and Industry's natural resources department, said Friday.

Economy probably grew most in almost two years, survey finds

The economy probably grew at the fastest pace since the first quarter of 2008 as a global trade revival fueled demand for the nation's exports. Gross domestic product rose an annualized 3.6 percent in the three months that ended Dec. 31, following a 1.3 percent expansion in the third quarter, according to the median forecast of 23 economists surveyed by Bloomberg News. The Cabinet Office report is due Feb. 15.

Consumer confidence rebounds as fears of new recession recede

Household sentiment rose for the first time in four months as concerns that the economy will slip into another recession receded. The confidence index climbed to 39 last month from 37.6 in December, the Cabinet Office said Friday. The median estimate of seven economists surveyed by Bloomberg News was for sentiment to increase to 38.

Social Front

14-year-old Manx schoolgirl is big hit in Japan

A 14-year-old Isle of Man schoolgirl has become an internet celebrity after she posted videos online of herself dancing and singing to Japanese pop songs. Rebecca Flint, from Ramsey and known online as Beckii Cruel, has had millions of hits to her YouTube anime-style cartoon character performances.

Record 85% favor death penalty

The percentage of people in favor of the death penalty has reached a record high, with 85.6 percent of survey respondents saying capital punishment is "unavoidable," according to a government poll released Saturday. The highest percentage since the government began the surveys in 1994 indicates the public is seeking strict punishment for heinous crimes following a spate of such incidents, including a stabbing rampage in Tokyo's Akihabara district in 2008.

SDF troops leave for Haiti tour

About 160 members of the Self-Defense Forces left for Haiti on Saturday evening to engage in U.N. peacekeeping operations and help with reconstruction activities in the impoverished Caribbean nation devastated by a Jan. 12 quake. The 160 form the first batch of the 350-member SDF unit, which is composed mainly of engineers and those providing logistic support for the group. The troops are expected to remove rubble, repair roads and build shelters for quake victims.

Doctors arrested over patient's '06 death

Police arrested two doctors at a hospital in Nara Prefecture on Saturday on suspicion of professional negligence resulting in death in connection with an operation on a liver cancer patient in 2006. In January, Yamamoto was given a jail term of 2 1/2 years over a medical fee fraud but filed for an appeal. He was released on bail Jan. 18. The operator of the hospital has filed for bankruptcy procedures.

Chinese activist allowed home after living in airport

A Chinese dissident who lived at Japan's Narita International Airport for three months after China blocked his return has been allowed to go home.

Activists ambush whalers

ANTI-WHALING activists said on Tuesday they had exchanged water cannon fire with Japanese fishermen after ambushing them in Antarctic waters. The Sea Shepherd group, which has been pursuing the fishing fleet since December, said its Steve Irwin ship waited behind an iceberg before surprising Japan's Nisshin Maru whaling boat.

Japanese women scoop up gold medals at Paris Grand Slam

World champion Misato Nakamura downed Ana Carrascosa of Spain in the 52-kg final as Japanese women swept gold in all three weight categories on the first day of the Grand Slam meet in Paris on Saturday.

Dead man in jet landing gear

JAPANESE authorities have found the body of a man in the landing gear of a Delta airliner that arrived in Tokyo from New York and said on Monday they were seeking US help in identifying him. The man, who was of dark complexion and dressed only in blue jeans and a long-sleeved shirt, was carrying no passport or personal belongings.

Bigger handouts urged to spur births

Government efforts to increase the birthrate by doling out child care handouts may not bear fruit because the amount is too small to ease women's financial worries, according to a Daiwa Institute of Research survey. The Democratic Party of Japan-led government may need to provide a monthly child care allowance of ¥50,000 to ¥100,000 to solve the shrinking population problem, Yuji Mori, a researcher at Daiwa, wrote in a report this week. That's up to four times more than the ¥26,000 planned by the DPJ.

Campus nurseries help new moms cope

Sayaka Shibata, 31, a graduate student in a medical research lab at the University of Tokyo, might not have returned to the lab after maternity leave if the university did not open an on-campus nursery. Launched in April 2008 on the Hongo main campus, the nursery for children of teachers and graduate students stays open until 9 p.m. in consideration of scientific researchers who are often engaged in time-consuming experiments.

Youth held in killings; kidnapped girl safe

An 18-year-old boy was arrested Wednesday after allegedly stabbing two women to death and wounding a man at a house in Ishinomaki, Miyagi Prefecture, before abducting his former girlfriend, according to police, who had gone to the home the night before due to a reported intruder but left empty-handed.

Strong quake strikes

A STRONG earthquake of at least 6.3-magnitude struck under the seas off Taiwan and Japan on Sunday, seismologists said, but there were no immediate reports of casualties. The Hawaii-based Pacific Tsunami Warning Centre and Taiwan's seismology service did not issue any immediate tsunami warning, although the Japanese weather agency issued a minor tsunami alert.

Weather news takes over retired icebreaker

The decommissioned icebreaker Shirase was handed over Wednesday to its new owner, the forecasting company Weathernews Inc., after 25 years of service supporting Japan's Antarctic expeditions. The vessel will go on display in Tokyo Bay at Funabashi port in Chiba Prefecture in early May. Its successor, also named the Shirase, is participating in the current Antarctic expedition.

Japan warming to child-custody treaty

Japan is mulling the possibility of becoming a party to an international treaty on child custody, Foreign Minister Katsuya Okada told British Foreign Secretary David Miliband on Wednesday evening during their telephone chat.

Former sex slaves demand apology

A group of women in South Korea forced to serve as sex slaves for Japanese soldiers during the war delivered a letter to the Japanese Embassy on Wednesday demanding an official apology and redress from Tokyo.

IT firm execs held for padding sales

Prosecutors arrested two former executives of a bankrupt information system firm Thursday on suspicion of submitting false earnings reports with padded sales.

Motherless families to get aid under bill

Prime Minister Yukio Hatoyama's Cabinet endorsed a bill Friday intended to expand the scope of child allowance beneficiaries to cover not only low-income fatherless families but father-only ones as well, officials said. The government hopes to gain Diet approval for the bill in the current 150-day ordinary session, which started Jan. 18, with an eye to having the legislation take effect Aug. 1.

Man faces H.K. trial for Kobe heist

The government says the cost of child-rearing should be borne not only by parents but by the whole of society. A Hong Kong man charged with trafficking stolen watches was in Japan

when a theft was reported at a department store in Kobe last year, a Hong Kong court was told Thursday.

Japan proposes whaling deal

JAPAN will propose scaling down its troubled annual whale hunt in Antarctica on the condition that it is allowed to whale commercially in its own coastal waters, a fisheries official said on Wednesday. Tokyo will present its proposal to the International Whaling Commission (IWC) at its annual meeting in Morocco in June, the official said, even though a similar plan was rejected by the 85-nation body last year.

Panel outlines fee hikes for hospital physicians

An advisory panel to the health minister outlined a comprehensive review Friday of fees paid for medical services, proposing raises for physicians working at hospitals. It will be the first revision of standard remuneration for medical services — medical treatment and drugs — under the government of Prime Minister Yukio Hatoyama, which has made improving the nation's medical services a key policy goal.

Prosecutors rest with call to acquit Sugaya

Prosecutors Friday called in court for the acquittal of a man being retried for the 1990 murder of a 4-year-old girl in Ashikaga, Tochigi Prefecture, admitting the defendant was wrongfully charged and apologizing for making him serve 17 years in prison. The judicial process to clear his name began in October and he is expected to be acquitted in a ruling to be handed down March 26.

School lets boy with gender identity disorder try attending as girl

An 8-year-old boy who suffers mental woes caused by gender identity disorder has attended a public elementary school as a girl since last fall, a local board of education in Saitama Prefecture said Friday. The school continues to keep him designated as a boy on its register.

Girl works to empower poor kids

Volunteer fosters entrepreneurs in recyclable fashions in Asia, At age 16, Carmina Mancenon is a social entrepreneur. She is excitedly preparing to launch a project this summer in the hope of raising awareness of the poverty in Southeast Asia. The project, Stitch Tomorrow, aims to support teens in the Philippines and Indonesia who live in poverty to create their own fashion lines using secondhand materials. In general, micro-finance is a type of small-lot lending for low-income people. Many borrowers use their loans to start small businesses or find ways to secure a steady income to escape poverty.

Poor aged moms grope to help adult offspring financially cope

While it is true that parenting is lifelong work, in Japan, some elderly mothers are struggling as they try to help their grownup sons and daughters make ends meet despite their own financial difficulties.

Japanese, S. Korean women's soccer champions to play in March

The Japanese and South Korean women's league champions will meet in Saitama on March 27, Japan Women's Football League said Friday.

South Korea

Politico-Strategic Front:

Detailed News;

(The Korea Times) Killing Your Own: Massacres During the Korean War

The admission in November last year by the Truth and Reconciliation Commission, a governmental body, that South Korea had murdered thousands of its own citizens in the opening weeks of the 1950-53 Korean War, marked a landmark moment in the painful journey to historical truth.

Through methodical excavation of burial sites, forensic examinations, and interviews with eyewitnesses, the commission verified 4,934 of what some researchers suspect may have been tens of thousands of unlawful executions without trial.

Although it has been 60 years since the horrific events, this first ever admission by a South Korean government did not rest easily.

Indeed, the commission, which was established when Kim Dae-jung was president, is viewed with suspicion by the present government, ruling party, and dominant media, which are more conservative on such matters and see leftist mischief rather than national truth and reconciliation in the commission's work.

In part, this reaction is fueled by ignorance. The war crimes by the Syngman Rhee government against its own citizenry are little known in Korea because they were covered up, and not only by the perpetrators.

The 1953 United States Army report on the massacre said it was the worst atrocity of the war and that the North Koreans were to blame. Stories and photographs by British reporters for the Picture Post, a news magazine, showing otherwise were spiked by its publisher.

The victims were mostly members of the National Guidance League, a body set up by the government in the pre-war years, when it was battling leftist partisans, to re-educate people who had given up their alleged support for communism.

Some 300,000 had been forced to join. In typical mass organization style, local chapters were given quotas and sometimes conned peasants into joining with promises of rice.

"The authorities pressed us to join the league," one survivor, Kim Ki-ban, 87, told a news conference in November last year. He described how he had been held in a warehouse and escaped the day before police shot the group, their hands tied behind their backs with wire.

Such testimony was confirmed by a few former police and army officers who spoke to the commission. In an interview with the New York Times, Lee Joon-young, 85, a former prison guard told how at Daejeon, batches of ten prisoners were made to kneel at the edge of a trench. "Police officers stepped up behind them, pointed their rifles at the back of their heads and fired."

Another policeman, Choi Woo-young, 82, from the southern town of Hapcheon, said he believed the league members he was responsible for posed no threat to the government.

When his unit was ordered to kill all of them before falling back, he secretly alerted league members, telling them not to respond to the usual police siren that signaled a "re-education" session.

In North Korea, there was a similar pattern, albeit on a smaller scale (no doubt because of the exodus from the North before the war).

When the tide turned in September 1950 and the North Koreans were in retreat, prison guards conducted massacres of political and religious prisoners.

Han Joon-myung was a Christian minister from the North Korean east-coast city of Wonsan. A few days after the Korean War began, he was jailed with several hundred other intellectuals.

One day in October, he told me in an interview several years ago, guards began taking prisoners away. They tied rocks to them and threw them in the sea, but some bodies floated back up. The next day they decided it would be more efficient to shoot them. They selected a tunnel in a hillside not far from the prison. The prisoners were shot in rows of four and the tunnel sealed with explosives.

Han and five others survived. U.N. forces counted 298 bodies, including 28 women and several children.

If these murders can be understood in the context of a civil war, in which two warring sides claim legitimacy from the same citizenry, then the fact the war had conventional and guerilla aspects explains a different type of massacre, that of civilians deliberately shot by soldiers in battle.

Any refugees or villagers near the frontlines were vulnerable after Chinese and North Korean troops adopted the tactic of disguising themselves as civilians and infiltrating amid groups of civilians.

In a recent interview, a British veteran told Andrew Salmon, the journalist and war historian, of a previously unrecorded atrocity near the town of Gapyeong.

A group of civilians were crossing a bridge 150 meters in front of his unit when someone said they were shooting. "We opened fire into the mass. We did not want to take a chance on anything or anybody," the man said.

Later in the battle, a headquarters facility was indeed overrun by Chinese who had crossed the line amid groups of civilians.

"At the time there was no remorse. When we got back to Hong Kong, I and some others broke down. We realized the atrocities we had committed. No man is a born killer. At the time you do your job," he said. "All I can say is sorry."

(The Korea Herald) Police seize more servers in civil servant 'political activity' probe

Police on Sunday seized more servers belonging to a minor opposition party as part of an ongoing investigation into alleged "political activity" by civil servants and teachers, according to Yonhap News.

Korean law bars public worker and teacher unions from taking part in collective political activity, but the legitimacy of the investigation has been controversial.

After 30 minutes of scuffling with dozens of lawmakers and officials from the Democratic Labor Party (DLP) who resisted the seizure, officers with warrants secured the remaining nine computer servers of the party at the KT Internet center in Bundang, south of Seoul, police said. The first of the 10 servers was seized in a search conducted last Thursday.

Four party officials were taken to a nearby police station following the clash.

Police investigators said they are now checking the servers for evidence that union members paid membership fees to the DLP between 2006 and 2009.

(The Star online) North Korea's Kim pledges to remove nuclear weapons

SEOUL (Reuters) - North Korea's leader pledged again to remove nuclear weapons from the peninsula, a news report said on Tuesday, and also sent his top nuclear envoy to Beijing in a move that could bode well for stalled disarmament talks.

While Kim Jong-il has made, and broken, similar pledges before, analysts said pressure has been mounting through U.N. sanctions imposed after its nuclear test last year, as well as a botched currency reform that the South said sparked inflation and rare civil unrest.

China's Xinhua news agency said Kim reiterated his country's "persistent stance to realise the denuclearization of the Korean peninsula" during a meeting on Monday with senior Chinese official Wang Jiarui.

North Korea's top nuclear negotiator, Kim Kye-gwan, arrived in Beijing on Tuesday, suggesting a possible resumption of stalled discussions hosted by China and including Japan, Russia, South Korea and the United States.

"Dispatching Kim Kye-gwan indicates that some sort of understanding is being worked out between China and North Korea on restarting the nuclear talks," said Cheong Seong-Chang, a senior fellow at the Sejong Institute think tank near Seoul.

China, the North's biggest benefactor, is seen as having the most influence on the reclusive state.

The destitute North can win aid to prop up its broken economy at the six-way talks if it reduces the security threat it poses to North Asia, which is responsible for one-sixth of the global economy.

However, few analysts believe Kim will ever scrap nuclear arms, which are seen at home as the crowning achievement in his military-first rule and the justification for decades of sacrifice by his impoverished people.

The North has said many times it could end its nuclear arms programme if the United States drops what it sees as a hostile policy toward it.

In another high-profile visit to the country, U.N. under-secretary-general for political affairs, Lynn Pascoe, was expected to arrive in Pyongyang on Tuesday.

(The Korea Times) Diplomats Urged to Have Salesman Spirit

The government called on South Korean diplomatic mission chiefs abroad, Monday, to have a business mentality.

"I urge each of the diplomats abroad to have the mindset of a salesman and actively support businesses to make inroads overseas," Minister of Foreign Affairs and Trade Yu Myung-hwan said during an annual meeting with some 110 ambassadors at the Central Government Complex in Seoul.

Minister Yu said diplomatic missions should be dedicated to supporting Korean businesses in achieving tangible results abroad, such as signing contracts for nuclear power plant construction and natural resources development projects.

“What the people want most from the government is support for employment and business operations abroad, according to a 2009 survey by the ministry,” Yu said.

The ministry said most of the participating mission chiefs will participate in one-on-one consultations with CEOs at a gathering slated for Wednesday at the Lotte Hotel in central Seoul.

The foreign minister also called on the mission chiefs to actively support individuals travelling to their host nations, noting that the country seeks to send up to 60,000 people under working holiday programs abroad and expand its overseas volunteers to 20,000 by 2013.

In his address on the country's policy and diplomatic goals for this year, Yu said Korea would actively seek to take the initiative on global issues, such as climate change and the North Korean nuclear standoff.

Yu said that the ministry is determined to upgrade the nation's “status and dignity” through the successful hosting of the G-20 Summit in Seoul from Nov. 11 to 12.

“If the diplomatic goal for 2009 was to overcome the economic crisis and transform Korea into a mature, global nation, the objective for 2010, as seen from the hosting of the G-20 forum in Seoul, will be raising the dignity and status of the country,” he said.

The minister added that President Lee Myung-bak would attend a nuclear security summit in Washington in April, the Shangri-La Dialogue in Singapore in June, G-8 and G-20 Summits in Canada in June, the Asia-Europe Meeting in Belgium in October and the Asia-Pacific Economic Cooperation forum in Japan on Nov. 13 and 14.

Yu said Lee is also considering paying state visits to countries in the Middle East, Africa, South America and the European Union to expand the scope of Korea's diplomacy and strengthen its global leadership.

(The Korea Herald) U.N. envoy says will talk about 6-way talks with N.K.

A special envoy of U.N. Secretary-General Ban Ki-moon to North Korea on Saturday said he will talk about ways to resume six-nation talks on ending North Korea's nuclear programs while visiting the communist state next week, according to Yonhap News.

Lynn Pascoe, under-secretary-general of the United Nations for political affairs, refused to elaborate on whether he will discuss the possible removal of U.N. sanctions on the North, but stressed his talks in North Korea will include the “entire” range of issues.

A former U.S. ambassador to Indonesia, the 66-year-old arrived here earlier Saturday ahead of his four-day trip to Pyongyang, the North Korean capital, from Tuesday.

“I am here today to talk with South Korea, with (its) people, about the U.N. relations with the ROK and we will talk about relational issues and we will also talk some about the trip,” the U.N.

official told reporters before his meeting here with Wi Sung-lac, Seoul's chief negotiator to the six-nation talks on ending North Korea's nuclear program.

(The Straits Times) North accuses S. Korea of plot

SEOUL - PYONGYANG accused Seoul on Monday of plotting to topple its regime as relations again soured, while a top Chinese official met North Korea's leader to bring the country back to nuclear disarmament talks.

In another blow for inter-Korean ties, the two sides failed to agree on restarting a tourism project.

A statement from North Korean security ministries said Seoul's plots against the country had 'recently gone beyond the danger line' and Pyongyang had a secret strike force for protection.

The communist North often claims that Seoul's conservative government is plotting against it. 'We have world-level ultra-modern striking force and means for protecting security which have neither yet been mentioned nor opened to the public in total,' the ministries said in a statement on official media.

The North criticized efforts by the South's military to defend the disputed Yellow Sea border - where the North fired artillery salvos late last month - and its 'reckless' operations to destabilize the North. It complained about 'the daily escalating' scattering of propaganda leaflets by balloon, which were penetrating deep into the country from border areas.

Despite the tough talk, the North has been pushing to revive business projects with the South since it was hit by stricter sanctions for its missile launches and nuclear test last year. The two sides held talks on Monday about a possible resumption of tours which previously earned the cash-strapped state tens of millions of dollars a year. -- AFP

(KBS Global) DP Chief Urges Need for S-N Summit

The leader of the main opposition Democratic Party (DP) says the government should warm up chilled South-North Korea relations through an inter-Korean summit before South Korea's June local elections.

DP Chairman Chung Sye-kyun made the statement Monday when his party unveiled policy plans regarding foreign affairs, unification and defense issues.

He said that his party would not object to an inter-Korean summit, even if the Lee Myung-bak administration were to pursue one to help the ruling camp ahead of the local elections.

On the issue of North Korean human rights, Chung said his party opposes the government's enactment of a proposed law on the issue. The DP, instead, stressed the need to improve Pyongyang's human rights conditions through inter-Korean contact and exchanges as well as through support from Seoul.

(The Korea herald) Nuclear talks hopes rise on Wang's visit

A senior Chinese envoy met with North Korean officials yesterday amid intensifying diplomatic efforts to bring Pyongyang back to the stalled six-party nuclear talks.

Wang Jiarui, head of the Chinese Communist Party's international department, arrived in Pyongyang on Saturday for a four-day visit during which he is expected to meet with North Korean leader Kim Jong-il and deliver a message from Chinese President Hu Jintao on resuming the multinational talks.

He held talks with his North Korean counterpart Kim Yong-il and exchanged views on strengthening bilateral ties and matters of mutual concern, Pyongyang's official Korean Central News Agency said.

Wang also attended a banquet on Saturday hosted by the director of international affairs at the North Korean Workers' Party, according to the KCNA.

The Chinese official met North Korea leader Kim in January last year when he visited North Korea as part of a regular exchange visit. Wang had met with Kim during his previous visits to Pyongyang in 2004, 2005 and 2008 as well.

As chair of the six-way dialogue, biggest aid donor and longtime ally to the North, China is anticipated to play a crucial role in bringing the reclusive state back to the nuclear negotiation table.

North Korea quit the six-party talks in April last year, angered by the United Nations Security Council's condemnation of its menacing long-range missile test.

But Kim Jong-il told visiting Chinese Premier Wen Jiabao later last year that his country may return to the talks following bilateral dialogue with the United States.

A special U.S. representative for North Korea policy, Stephen Bosworth, visited Pyongyang in December but the North has yet to declare its return to the six-party talks.

North Korea recently said it will rejoin the talks if the United States agrees to start negotiations on a peace treaty to replace the 1953 Armistice and lifts U.N. sanctions.

Assistant U.S. Secretary of State Kurt Campbell said last week no discussion about political or economic sanctions can take place before the disarmament talks are back on.

Discussions on the U.N. sanctions may take place this week, however, when Lynn Pascoe, a special envoy of U.N. Secretary-General Ban Ki-moon, visits Pyongyang from Feb. 9-12.

Pascoe, who serves as the U.N. undersecretary general for political affairs, arrived in Seoul on Saturday en route to Pyongyang.

During his four-day trip to Pyongyang, Pascoe is expected to urge North Korea to rejoin the nuclear talks and discuss its relations with the world body.

"We expect to talk about the entire range of issues while we are up there (in North Korea)," Pascoe told reporters in Seoul without elaborating when asked whether he will be discussing a possible removal of the U.N. sanctions imposed last year following the North's second nuclear test in May.

Pascoe met with South Korean chief negotiator to the six-nation talks Wi Sung-lac and Foreign Minister Yu Myung-hwan later Saturday.

The 66-year-old former U.S. ambassador to Indonesia is the first ranking official of the world body to visit North Korea since the inauguration of the South Korea-born U.N. chief in 2007.

The U.N. envoy will leave Monday for China where he will likely catch a North Korean flight to Pyongyang.

In September, Ban Ki-moon, a former South Korean foreign minister, met North Korean Vice Foreign Minister Park Gil-yon at the U.N. headquarters and discussed the North's nuclear weapons program as well as humanitarian and human rights issues.

(The Korea Times) 'North Korea Pursues Indian Nuclear Model'

North Korea is not ready to give up its nuclear ambition, nor the desire to improve its relations with the United States at least until the ongoing succession of power is completed, a security expert said Tuesday.

"Like India and Pakistan, North Korea will try to get recognition as a nuclear power and improve its relations with the U.S. through direct talks within the six-party talks," said Professor Yun Duk-min of the Institute of Foreign Affairs and National Security.

India and Pakistan are nuclear states remaining outside the Treaty on Non-Proliferation of Nuclear Weapons (NPT).

Five countries that tested nuclear devices before 1967 — the U.S., France, Britain, Russia and China — are called nuclear states under the NPT.

During a seminar hosted by the governing Grand National Party's (GNP) think tank, Yun forecast the North was likely to return to the multilateral talks early this year.

The think tank invited North Korea watchers and security experts to the event to look into policy options and national strategy for South Korea to cope with the North.

The GNP defined the time period from the present to 2012 as a security turning point on the peninsula with the declining health of North Korean leader Kim Jong-il and the power transition to the next leader Kim Jong-un.

"The North announced to seek to repair the planned economy, which has been off the rails since 1989 due to its poor management and security threats made to the international community," said Yun.

"It also plans to focus on improving the living standards of its citizens and facilitating the succession of power to the next leader."

The professor predicted the demanding tasks of becoming a nuclear power and better relations with Washington will require the reclusive nation to go for dialogue, rather than scare tactics.

Earlier, Washington made it clear that it wouldn't accept the North as a nuclear power.

Professor Ryoo Kihl-jae of the University of North Korean Studies in Seoul shared the view that the North is unlikely to give up its nuclear programs in the near future.

"The worst case scenario for South Korea is that internal chaos and the North's angry citizens play a role in collapsing North Korea, while it still possesses nuclear bombs," he said.

"This scenario is unlikely to occur in the short run, but it is highly likely to happen in the medium range forecast."

After the Cold War, the North Korean economy became even worse due to poor management, floods, and reduced assistance from the international community after it test-fired missiles and conducted underground nuclear tests, leading millions to starve.

Economic hardship made it even more difficult for North Korean residents to lead normal lives after the failed currency reform last year resulted in severe inflation and social instability.

The question is if the social chaos will lead to an uprising.

"The citizens will stand up against the repressive regime when power elites are in conflict and the morale of security forces hit a low. If the regime manages to control the elites and security forces, it will be difficult to expect an uprising there," said Ryoo.

(The Korea Times) 1st Early Warning Aircraft Arrives in S. Korea

The first of four 737 airborne early warning and control (AEW&C) aircraft built by Boeing Integrated Defense System (IDS) has arrived in South Korea.

Korea Aerospace Industries (KAI) accepted the first "E-737" airplane for modifications Tuesday, the Defense Acquisition Program Administration (DAPA) said.

A ceremony to mark the beginning of the modification work was held at KAI's facility in Sacheon, South Gyeongsang Province, with representatives from DAPA, KAI and Boeing attending, it said.

KAI will equip the plane with Northrop Grumman's L-band Multi-Role Electronically Scanned Array (MESA) radar before handing it over to the Air Force next year. The modification work is part of offset deals from the AEW&C contract signed in 2006.

Under the \$1.6 billion contract, Boeing IDS will deliver four 737 AEW&C aircraft to South Korea by 2012 when the nation will take over wartime operational control of their troops from the U.S. military.

The 737 AEW&C can fly at a maximum altitude of 41,000 feet and top speed of 340 knots.

(The Straits Times) N. Korea demands sanctions end

SEOUL - NORTH Korea Wednesday repeated demands for sanctions to be lifted before it returns to nuclear disarmament talks, resisting appeals from its ally China to resume dialogue, a news report said.

Pyongyang's nuclear negotiators were holding a second day of talks in Beijing amid international efforts to kickstart the stalled negotiations, South Korea's Yonhap news agency reported from the Chinese capital.

North Korea restated its stance that it would not come back to the six-party forum as long as sanctions are in force, Yonhap quoted a diplomatic source as saying. It urged China, as a permanent UN Security Council member, to play an active role in lifting the UN sanctions, the source said.

The negotiators also reportedly sought Beijing's backing for their demand that the United States agree to start talks about a permanent peace treaty before the nuclear forum resumes. China stressed North Korea should first return to the dialogue table and ease its tough conditions, the source was quoted as saying.

The United States says the North must come back to the nuclear talks and reaffirm commitment to previous agreements before other matters are discussed. Pyongyang was reportedly playing hardball despite its own worsening food shortages and international efforts to revive the six-party forum.

UN chief Ban Ki-moon's top political adviser Lynn Pascoe is making a four-day visit to the North expected to focus on nuclear matters and humanitarian aid, the first by a high-level UN

official since 2004. The North angrily quit the nuclear talks last April following international criticism of its ballistic missile launch. -- AFP

(Korea herald) Four opposition leaders agree to impeach P.M.

Leaders of four opposition parties agreed yesterday to launch a joint front to impeach Prime Minister Chung Un-chan for leading the move to revise the Sejong City development project.

A statement released after their breakfast meeting said, "We will strengthen cooperation to protect the nation's Constitution and democracy."

The meeting was attended by Democratic Party Chairman Chung Sye-kyun, Democratic Labor Party head Kang Ki-gab, Song Young-oh, acting president of the Renewal of Korea Party, and Roh Hoi-chan of the New Progressive Party.

They are expected to submit a motion calling for the dismissal of the prime minister to the National Assembly as soon as the series of government interpellation sessions end tomorrow.

Over one third of the current 297 lawmakers must sign the motion to put it to a floor vote during a plenary session.

More than half of them, or 149 legislators, should vote in favor within the 72 hours of submission for it to be passed.

In most cases, the president must act accordingly if the bill gets the green light from the Assembly.

"Our party shared views with the main opposition Democratic Party last week to submit the prime minister's impeachment bill as early as this Thursday immediately after the completion of government interpellations," said minor opposition Liberty Forward Party floor leader Ryu Keun-chan.

DP floor leader Lee Kang-rae, however, said the party will collect the opinions of its lawmakers at a general meeting today and make its final decision on the submission at a later date.

The opposition parties' early submission of the bill is an effort geared toward strengthening the public's negative perception surrounding the government's new proposal on Sejong City, especially during the upcoming Lunar New Year's holidays.

Although they are not expecting the faction loyal to former Grand National Party Chairwoman Park Geun-hye within the ruling party to take part in the bill submission stage, the opposition parties hope they will approve the bill at the plenary session.

While most ruling party lawmakers grouped in the pro-Park faction are keeping mum or neglecting their participation in the floor vote, GNP lawmaker Lee Sung-hun said yesterday that he believes "it's appropriate to unseat the incompatible prime minister even for President Lee Myung-bak."

Rep. Lee Jung-hyun of the GNP, a close aide to the former party chairwoman, however, said submitting a bill demanding Chung's resignation are only claims that could be made by the opposition, and that such a measure has never been reviewed within the pro-Park faction.

(Korea herald) Plastic weapons raise security fears

Plastic swords and knives solid enough to pierce a tin can are being traded freely, raising alarm among security authorities.

Some 10 kinds of lethal weapons made of tempered glass fiber are available in sword shops and on the internet, said officials.

They can pass through standard metal detectors at airports and key public facilities.

Though dangerous, they are not regulated by any law.

Metal knives, daggers or swords are classified as weapons when they have a blade of 6 centimeters or longer.

"Some of these plastic weapons are 18 centimeters or longer, capable of inflicting fatal wounds," said a police official.

Their manufacturers, mostly based in the United States, say that they are for personal self-defense. But many experts raise concerns that they can be used by criminals and terrorists.

The polyphthalamide-based weapons are strong enough to pierce a standard tin can, according to company websites and consumer reviews.

They are cheap and easy to buy even for minors. The most popular model is priced at less than 25,000 won (\$21) on the internet.

Korea Airport Corp. plans to introduce advanced security scanners, capable of detecting such instruments as early as June, according to officials. But they will be installed at only four major international airports.

(The Korea Times) 'Foreigner Detention Centers Get Worse'

Migrant Workers Mark 3rd Year After Yeosu Fire

Three years have passed since a fire took the lives of 10 migrant workers who were being detained at an immigration center in Yeosu, South Jeolla Province. On the anniversary of the tragic accident Tuesday, migrant workers' organizations renewed their calls for the closure of detention centers for foreigners.

The Joint Committee with Migrants in Korea (JCMK) and the Alliance for Migrants' Equality and Human Rights held a press conference to demand the closure of the detention centers and the end of crackdowns and deportation.

"We asked for a new approach in dealing with unregistered migrant workers. Busting and deporting them is not a proper solution," Lee Young, executive secretary of the JCMK, said. "However, the government reinforced their crackdown efforts and some 60,000 of them have been deported since 2008 and the situation at the centers has gotten worse."

They said the condoned cases of abuse against migrant workers are carried out in the name of improving the nation's competitive power. "Migrant workers are not eligible for the minimum wage and work in poorer working conditions than Korean workers. However, the government incites hostility against migrant workers claiming they threaten the jobs of domestic workers," Lee said.

The JCMK added that immigration offices and detention centers were not built for long-term confinement and thus do not have appropriate facilities to accommodate illegal migrants for a long time.

The Seoul Immigration Office held 18,153 foreigners last year, an average of 49 per day. It has been determined by the Ministry of Justice to have the capacity to hold 45 per day.

"The ministry's standard for the accommodation of detained foreigners is about four square meters per person, which is even smaller than the 6.6 square meters of other correctional facilities," Lee said. "Migrants held at the detention center need more space and equipment."

On Feb. 11, 2007, a fire broke out at the detention center of the Yeosu Immigration Office in Yeosu, South Jeolla Province. The fire killed 10 migrant workers and injured 18 others.

Amnesty International issued a 98-page report on the incident last year that said immigration officers and police are often accused of using excessive force against migrant workers. The organization also called for the government to ensure that during immigration raids, authorities adhere to the law requiring them to identify themselves, present a warrant and inform migrant workers of their rights, and to provide prompt medical treatment to those under their custody when needed.

(The Straits Times) Sanctions on N. Korea to stay

SEOUL - SANCTIONS on North Korea will not be removed until Pyongyang returns to disarmament talks and takes serious steps towards scrapping its nuclear arms program, the foreign ministers of South Korea and Japan said on Thursday.

The comments come as the North's top nuclear envoy is in Beijing in a sign the reclusive state may be moving closer to a return to so-called six-party nuclear talks hosted by its key ally, China.

North Korea has come under increasing pressure to return to the forum it has boycotted for more than a year as UN sanctions imposed after a nuclear test dry up its coffers and a financial policy blunder in late 2009 adds to its economic woes.

South Korean Foreign Minister Yu Myung Hwan said the five countries involved in negotiations with the North aimed to keep up the pressure on North Korea through sanctions while continuing to pursue dialogue to prod it back to the talks.

The talks involve the two Koreas, the United States, Japan, Russia and China and began in 2003.

North Korea has called for a peace treaty with the United States to replace the armistice that ended the 1950-53 Korean War as a condition to returning to the disarmament deal that it signed in 2005 in return for massive economic aid. -- REUTERS

(The Korea Times) Australia's Tightened Immigration Rule Affects 800 Koreans

Australia has rejected 20,000 immigration applications, including those by hundreds of Korean nationals, in a major overhaul aimed at attracting highly skilled labor, the Australian immigration minister said.

Immigration Minister Chris Evans said the current occupations-in-demand list, which covered 106 occupations, will be scrapped immediately and replaced with a "more targeted" skilled occupations list to be introduced in the second half of the year.

The cancellation will affect not only about 800 Korean nationals, who have applied for permanent immigration under the General Skilled Migration Program (GSM), but also several thousands of Koreans who have been preparing to immigrate to the country under the scheme.

Some 11,500 Korean people are reportedly learning skills at private vocational schools to gain permanent Australian resident status under the GSM visa program.

"Tens of hundreds of Koreans studying here have been caught off-guard by the report," an official of the Korean Society of Australia said.

"If they knew such a change would be made earlier, many of them would have studied another field or have spent their time more wisely," she said in a telephone interview with The Korea Times.

Canberra is also reviewing its points system in which potential migrants score marks based on qualifications, skills and proficiency in English.

"The current points test puts an overseas student with a short-term vocational qualification gained in Australia ahead of a Harvard-educated environmental scientist," said Minister Evans.

He noted that Australia needs a demand-driven migration program, rather than a supply-demand one to address shortages in the healthcare, engineering and mining sectors.

"The new arrangements will give first priority to skilled migrants who have a job to go to with an Australian employer. For those who don't have an Australian employer willing to sponsor them, the bar is being raised," Chris said.

Australia's skilled migration program rose from 108,540 to 114,780 between July 2008 and June 2009, according to the Australian Department of Immigration and Citizenship.

Some 5,200 Korean nationals received their green card during the period, up from roughly 4,950 a year ago.

The immigration department said it will refund about \$12.2 million of visa fees to affected applicants.

Fitch, a leading credit ratings agency, earlier this month warned of skills shortages in Australia's energy and mining sectors, saying it might lead to higher costs.

(The Korea Times) Seoul Seeks to Get Moscow's Arms Technology

South Korea and Russia are engaged in negotiations over the transfer of key arms technologies, the Defense Acquisition Program Administration (DAPA) said Tuesday.

The negotiations are part of the so-called third "Brown Bear" arms-for-debt swap project.

The two countries signed a memorandum of understanding in 2007 on the transfer of Russian military equipment and technology. Under the agreement, Russia promised to transfer technology related to submarine fuel cells and others to South Korea.

Moscow also pledged it would consider transferring technology related to a long-range radar and defense system to protect against an electromagnetic pulse (EMP) attack.

But both sides have failed to reach a final conclusion as they favor different weapons systems for the deal, sources said.

"The two sides have substantially narrowed their differences over the transfer of arms technology and purchase of end products," a government official said on condition of anonymity. "A final deal is expected to be signed by the end of the year."

The official said the envisaged deal would be worth about \$700 million. The deal will not be an arms-for-debt swap program this time, and instead Seoul will buy the Russian technology and equipment, while Moscow will pay the remaining debt of some \$1.3 billion over the next decade, said the official.

Unlike the previous two sets of arms-for-debt deals, South Korea now wants to receive more state-of-the-art arms technology from Moscow rather than end products.

A DAPA source said earlier that his agency had offered to buy a few weapons systems, including the Kamov Ka-32 utility helicopter and IL-103 trainer aircraft.

Russia, however, wants to provide weapons such as T-80U Tanks, METIS-M anti-tank missiles, BMP infantry fighting vehicles and Murena-E hovercraft as it did under previous deals in 1995 and 2003, the source said.

The Brown Bear project began as part of South Korea's efforts to retrieve loans extended to the former Soviet Union in 1991 to assist Russia's transformation into a market economy.

Following the landmark establishment of diplomatic ties between the two nations in 1990, one year before the Soviet Union collapsed, the Roh Tae-woo administration extended Moscow \$1 billion in bank loans and a \$470 million commodities loan.

Moscow was required to repay the loans in five years with a three-year grace period. But as the Russian economy fell apart, Moscow fell behind on its payments.

In 1995, Moscow began providing weapons in lieu of cash under the first phase of Brown Bear program. In the first three years of the program, Russia provided South Korea \$210 million worth of modern arms such as T-80U tanks, METIS-M anti-tank missiles, Ka-32 transport helicopters, portable anti-aircraft missiles and spare parts.

By 2003, interest had pushed Russia's debt to \$2.24 billion. The Roh administration decided to write off \$660 million of that in exchange for more arms and a pledge to pay the remaining \$1.3 billion in cash over 22 years.

From 2003 to 2006, Seoul received arms worth \$534 million, including three Murena-E hovercraft and seven Ka-32s.

(The Korea Times) Ruling Party Lashes Out at Chief Justice Again

Senior lawmakers of the governing Grand National Party (GNP) criticized leaders of the Supreme Court again Wednesday, alleging that when they practiced as lawyers they took advantage of connections they had made previously as judges.

They stepped up criticism of Chief Justice Lee Yong-hoon and Justice Park Si-hwan, signaling the party's determination to overhaul the judiciary.

The main opposition Democratic Party (DP) agreed over the need for reform, but it wants to change the way prosecution works, not the judiciary.

Floor leaders of the two parties agreed to set up a special bipartisan committee aimed at reforming the judiciary and the prosecution, and preventing lawyers from overcharging clients.

The committee, which will be chaired by a GNP lawmaker, will be comprised of 20 legislators from both parties.

GNP Floor Leader Ahn Sang-soo called for the committee members to come up with measures as soon as possible so that they can be passed in the National Assembly no later than April.

Rep. Joo Sung-young of the GNP called Chief Justice Lee and Justice Park figures that symbolically represent the three ideologies in the current judiciary — elitism, the caste system and aristocracy.

“They have built their own castle in the judiciary based on these three principles, and blocked those outside the circle from access to it,” said Joo.

The lawmaker claimed Lee and Park had benefitted from the court's “practice” of ruling in favor of judges-turned-lawyers.

“Prior to becoming chief justice, Lee earned 6 billion won (approximately \$5.2 million) over five years when he was a lawyer. About 70 percent of the cases that he handled were ruled on in the Supreme Court,” said Joo.

Before taking cases as a lawyer, Lee served as a Supreme Court justice.

Rep. Joo alleged that the amount of income Lee made while he was a lawyer couldn't be explained without special consideration given to him by the courts.

The lawmaker said Justice Park also received preferential treatment as a justice-turned-lawyer, saying he earned an average 90 million (approximately \$78,000) won per month when he was a lawyer.

The two figures in the Supreme Court were under fire for their sympathetic attitude toward or involvement in a discussion group comprised of liberal judges.

Earlier, the GNP alleged that Lee, who was named chief justice during the previous Roh Moo-hyun administration, gave special consideration to liberals who were members of the group.

Park is a former president of the group.

Senior GNP lawmakers pointed to the judges as the source of the controversial rulings on recent major cases, saying their political orientation had influenced their decisions.

Several members of the group were called upon for key posts during the Roh administration, including former Justice Minister Kang Keum-sil.

(The Korea Times) Chung Dong-young Rejoins Democratic Party

A former leader of the main opposition Democratic Party (DP) rejoined the party Wednesday, eight months after he left the liberal party.

Former presidential candidate Chung Dong-young, who is now an independent lawmaker, left the party in defiance of the DP's decision to forbid him running in last April's by-elections on the party ticket.

Shin Kuhn, who also successfully ran in the by-elections as an independent after bolting from the DP, was again granted party membership as well.

As a result, the DP now holds 88 seats in the 299-member unicameral legislature.

The decision was made at a time when the DP is striving to consolidate liberal votes in the June 2 elections to pick mayors, governors and council members nationwide.

"The DP has decided to grant the reentry of Reps. Chung and Shin based on the consensus that the party needs the spirit of grand unity to win in the local elections," DP spokesman Woo Sang-ho said.

He said that the move will help consolidate unity in the party and strengthen alliances with other liberal parties.

Chung hinted that he would not challenge for the leadership of the DP in the near future.

"I pledge to serve as a stepping stone in uniting liberal forces for victory in the June local elections," he said.

Chung, who also served as unification minister, said that he will help drive the party's approval ratings above 30 percent.

Pundits, however, say his comeback might lead to internal feuding and a power struggle between him and supporters of incumbent Chairman Chung Sye-kyun.

Chung Dong-young dealt a blow to the liberal party by winning as an independent in a North Jeolla district, where he had previously been elected twice.

The DP will choose new leaders a month after the elections as the incumbent chairman's two-year term expires in July.

(The Straits Times) Apology for rule over Korea

SEOUL - JAPANESE Foreign Minister Katsuya Okada made a strongly-worded apology on Thursday for his country's 'tragic' 20th century colonization of Korea, saying his government would not ignore history.

'I think it was a tragic incident for Koreans when they were deprived of their nation and identity,' he told a press conference after talks with his South Korean counterpart Yu Myung Hwan.

'I can fully understand the feelings of Koreans and I believe we must never forget such victims,' Mr Okada said. The two countries, he said, should make a 'meaningful turning point' in relations this year, the 100th anniversary of Japan's occupation which lasted until its wartime defeat in 1945.

Mr Okada said his government 'will look forward to the future without looking away from past history and sincerely develop a future-oriented relationship between Japan and South Korea.'

South Korean officials have also said Mr Okada's trip would mark the beginning of efforts by both countries to put the past behind them.

Mr Yu said they would build a more forward-looking and friendly relationship while making sincere efforts to address thorny disputes of the past. They would push for regular summits between President Lee Myung Bak and Japanese Prime Minister Yukio Hatoyama. – AFP

(KBS Global) GNP At Odds Over Sejong City

Internal strife continues within the ruling Grand National Party (GNP) over the Sejong City development plans for South Chungcheong Province.

At a Wednesday debate hosted by a group of GNP lawmakers who support a moderate approach to the Sejong issue, Representative Hong Sa-deok said that the only decision left to be made in regards to government-proposed revisions to the Sejong City plan is when the proposal should be withdrawn.

Hong said sufficient discussions have been held on the issue and the public has decided not to support the revisions.

Hong is a supporter of former GNP chair and current lawmaker Park Geun-hye, who is against the revision.

Pro-Lee Myung-bak lawmaker Hong Joon-pyo contended that the Sejong City issue needed to be put to a secret vote after a debate is held on the matter within the GNP.

Sejong has been a point of contention ever since the government decided to change the focus of the project from an administrative district to a business and science-related development.

(The Korea Times) Air Force Introduces Advanced Weather Surveillance System

The Air Force has begun operating advanced equipment to help give precise warnings and forecasts of atmospheric phenomena when its airmen conduct precision-strike operations.

Under a 2007 agreement signed with the state-funded Korea Astronomy and Space Science Institute on bolstering surveillance of the atmospheric environment, the service started operating an ionosphere radar system last October.

The Air Force said it signed a follow-up agreement with the institute and opened an ionosphere observation center at the 73rd Weather Squadron Wednesday.

The center will also be used for civil and public purposes, it said in a press release.

The ionosphere is the uppermost part of the atmosphere, distinguished because it is ionized by solar radiation. It plays an important part in atmospheric electricity and forms the inner edge of the magnetosphere.

"The ionosphere radar system will help reduce problems with launching precision-guided weapons systems under bad weather conditions," an Air Force official said. The system will also help airmen conduct GPS-guided operations and safer air missions.

The U.S. military successfully introduced the system in 2003 for Operation Iraqi Freedom, he added.

(The Korea Times) Assembly Panel Passes Bill on North Korean Human Rights

The Unification, Foreign Affairs and Trade Committee of the National Assembly passed a bill Thursday aimed at improving human rights conditions in North Korea.

Lawmakers of the ruling Grand National Party and the Liberty Forward Party voted for the legislation, while lawmakers for the main opposition Democratic Party (DP) objected to the passage of the measure.

The DP agreed on the need for improving human rights conditions in the North, as it has called the situation "deplorable."

But the main opposition party said the passage of the bill could harm inter-Korean relations.

If approved by the Assembly Judiciary Committee, the bill will be presented to the plenary session for final parliamentary endorsement.

If it gets approval, the government will be required to set up a body to monitor North Korea's human rights conditions and study South Korea's policies on the issue.

The measure also calls for more support of non-governmental organizations working for the improvement of North Korean human rights.

(The Korea Times) DP Delays Motion to Unseat PM Chung

The main opposition Democratic Party (DP) postponed the submission of a motion, Thursday, calling for the dismissal of Prime Minister Chung Un-chan for his role in pushing the revision of an administrative town plan.

Four opposition parties agreed early this week to submit to the National Assembly the motion no later than Thursday over his responsibility in seeking the revision of the Sejong City development project.

Pundits here say uncertainty in the passage of the motion is largely responsible for the delay.

For the motion to be passed, more than half of the total 297 lawmakers, or 149 legislators, must vote in favor within 72 hours of its submission. But the four parties have only a combined 96 parliamentary seats. The DP has 88 of them.

The opposition parties expected the majority of the Pro-Park Geun-hye faction of the governing Grand National Party (GNP) to back their cause.

Sources, however, say only one third of the Park faction, which reportedly holds 50 to 60 seats within the governing party, is in favor of the opposition-led move to oust the prime minister.

Meanwhile, Chung refuted the claims that he should step down over alleged "incompetence" and the revision of the Sejong project.

"I've always been prepared to step down, while throwing myself into my work," Chung told reporters. "However, my fate will not be determined by the outcome of the National Assembly's decision over the passage of the Sejong City revision bill."

Chung, a former president of Seoul National University (SNU), also expressed his confidence in handling his duties as the nation's No. 2 man.

"I expect the people will make a judgment on the validity of the accusations that a person, who once served as SNU president, lacks qualifications in serving as prime minister," Chung said.

He said it would be unthinkable for him to step down because he pledged to spearhead the construction of Sejong as an education-business city to people in the Chungcheong region.

Chung said the Assembly should handle the bill in the first half of the year, or it may turn into a ``permanently unresolved issue.

(KBS Global) Motion to Dismiss PM Put on Hold

The Democratic Party has put on hold a plan to submit a motion requesting the dismissal of Prime Minister Chung Un-chan.

At a meeting of party lawmakers Thursday, the main opposition party decided to review the motion's submission when the government submits a bill for the revision of the Sejong City development project.

A motion to dismiss the prime minister is required to be put to vote between 24 and 72 hours of its submission to the National Assembly. However, if the Grand National Party, which has a parliamentary majority, refuses to vote on it, it will be automatically discarded.

Opposition lawmakers are urging the prime minister to resign for pushing for revisions of the Sejong City project.

(KBS Global) Seoul Positive About Japan FM's Remarks

South Korea is positively assessing comments made Thursday by Japanese Foreign Minister Katsuya Okada in regards to Japan's colonization of Korea from 1910 to 1945.

Okada, who arrived in Seoul on Wednesday for meetings with South Korean officials, called on the two nations to start building a new, future-oriented relationship while coming to grips with the past.

Okada said that Japan should not forget the pain of the Korean victims of colonization and that the Tokyo government stands by a 1995 statement issued by then Japanese Prime Minister Tomiichi Murayama, in which Japan offered a "heartfelt apology" for causing "tremendous damage and suffering to the people" of countries colonized or invaded by Japan.

Foreign Ministry spokesman Kim Young-sun said Seoul favorably reviews the comments by Okada, adding that he hopes this attitude will lead to progress in current unresolved issues between the two countries.

In addition, Kim said that the issue of Japan returning Joseon Dynasty royal documents to South Korea was not part of the formal agenda for Thursday's meeting between Okada and Foreign Minister Yu Myung-hwan.

However, Kim said that Yu expressed interest in the issue during their meeting. The Japanese Imperial Household Agency reportedly has a significant number of royal documents from the Joseon Dynasty, the last Korean dynasty before Japan annexed Korea in 1910.

(The Korea Times) Seoul Proposes Inter-Korean Military Talks

The Ministry of National Defense proposed Friday that South and North Korea hold military talks to address communication, stalled tourism projects and customs clearance on Feb. 23 at the truce village of Panmoonjeom.

The proposal came following an agreement during the inter-Korean talks on the Gaeseong Industrial Complex in January that the three agenda items would be discussed during the military talks.

While North Korea has not responded to the offer, Won Tae-jae, spokesman of the defense ministry, is optimistic that the meeting will take place.

"Earlier, the North had made an offer to hold military talks. So I think that the North will accept our proposal," he told reporters.

If the North accepts the proposal, the defense ministry will team up with an official from the Ministry of Unification, who participated in the previous Gaeseong talks, to form a delegation.

The intra-ministry team will be led by the director of the North Korea Policy division at the defense ministry, Won said.

In addition to the three issues, the delegates from the two Koreas are expected to discuss the recovery of war remains during the Korean War (1950-1953).

The last inter-Korean military talks took place on Oct. 2, 2008.

(The Korea Times) President Willing to Meet Park Over Sejong Plan

President Lee Myung-bak said Friday he is willing to meet with former Grand National Party (GNP) Chairwoman Rep. Park Geun-hye to discuss ways to resolve the deepening feud within the ruling party over the government's Sejong City plan.

Lee expressed the intention during a closed-door, one-on-one meeting with GNP Chairman Rep. Chung Mong-joon at Cheong Wa Dae after having breakfast with the party's key post-holders, said a GNP spokesman.

In an address to the nation Saturday to mark the Lunar New Year, the President will call for broader public support for the Sejong project, saying it is crucial for national competitiveness and balanced regional growth.

"Lee told Chung that he was ready to meet Park at any time if it would be helpful in unifying the ruling camp," GNP spokesman Rep. Cho Hae-jin told reporters.

"Lee expressed deep concerns over an intra-party conflict over Sejong City, saying the GNP should find solutions through negotiations and democratic measures."

Aides to the former GNP leader said she had no reason not to meet Lee.

"Park doesn't want the situation to further worsen either. However, what matters is whether Lee really wants to mend fences with her," said a GNP lawmaker who is affiliated with Park.

The remarks came after confidants of Lee and Park, who contended for the GNP's presidential candidacy in 2007, traded barbs over the government's revision of the Sejong City project.

Lee's top press officer, Lee Dong-kwan, demanded a public apology Wednesday from the lawmaker for her comparison of Lee to a burglar a day earlier, alleging that she defamed the head of state.

Some analysts predict the intensifying war of words may result in a split of the governing party, which now has 169 seats in the 299-member National Assembly.

Prime Minister Chung Un-chan has sought Park's help to secure an early ratification of the revision amid fierce protests from opposition parties, but the former chairwoman has made it clear that she will not back the move.

After the government announced the plan to transform Sejong City, originally designed as an administrative complex, into a business hub last month, Park said it was a challenge to representative democracy to override an ongoing state project that had already been endorsed by lawmakers.

She was leading the then-main opposition GNP when she helped the passage of the original Sejong plan in 2005.

The administration plans to submit a bill on the revision soon in order to get parliamentary approval by the end of April, but the passage is virtually impossible without Park's support. She is leading the party's second-largest faction, to which some 50 lawmakers belong.

"We will do all we can to persuade Park, but she has not been very cooperative. She needs to be flexible on the issue," the prime minister told reporters Thursday.

Economic Front:

Detailed News;

(The Korea Times) Korea Lags Behind in Knowledge-Based Services Sector

Korea has emerged as one of the world's major industrialized economies over the past six decades through a manufacturing and export oriented development strategy.

But with its economic structure becoming more sophisticated, it is increasingly shifting to a more knowledge-based service economy like the United States and European countries.

However, Asia's fourth-largest economy lags far behind developed nations in educational, medical, legal and other knowledge-based services, forcing many Koreans to head overseas and spend billions of dollars every year for more advanced and higher-quality services.

Analysts say that in order to nurture the high-value added services sector as a new growth engine and create jobs, the government should lower the entry barrier for a range of services sectors and promote competition, on top of providing tax breaks and other incentives.

According to the Korea Development Bank (KDB) Research Institute, Korea's knowledge-based services industry accounted for only 25 percent of its gross domestic product (GDP) in 2006, substantially lower than the OECD average of 42 percent.

Reflecting the nation's inadequate services infrastructure, businesses and individuals here are taking huge amounts of money out of the country to enjoy an array of advanced services available in foreign countries.

The Bank of Korea (BOK) said Sunday that Korean companies and individuals spent \$15.2 billion in foreign countries for educational, legal, medical, accounting, research and development (R&D) and other services in 2009, up 8.2 percent from 2008.

By sector, domestic firms paid a combined \$7.05 billion last year to use various foreign patents, up 24.6 percent from 2008. They earned a total of \$3.18 billion from allowing non-Korean companies to use their intellectual property rights.

Korea's shortfall in patent-related balance payments rose 18 percent to \$3.87 billion, up 18 percent over the one-year period.

The country also spent a combined \$1.74 billion abroad for legal, accounting, corporate consulting and public relations services last year, up 21.6 percent from 2008, with Korean parents spending \$4 billion to enroll their children into foreign schools.

Against this backdrop, the government has introduced a series of measures over the past few years to boost the competitiveness of local leisure, medical and other services sectors. But they have largely failed to achieve their intended goal.

Experts say Korea should place top priority on transforming its economic structure to one with knowledge-based services at its fore in order to generate jobs and accomplish sustainable growth.

At a forum organized by the state-run Korea Development Institute (KDI) last Thursday, OECD economist Chiara Criscuolo said Korea should open its services market wider to enhance its economic competitiveness, stressing the heavily-regulated sector hinders growth in the productivity of the overall economy.

Samsung Economic Research Institute (SERI) economist Sohn Min-jung pointed out that most services workers are engaged in the retail and wholesale or restaurant and lodging sectors, which are less industrialized, and where salaries and productivity are low.

He stressed the government should invest more to advance medical, educational and other social services sectors to make it cheaper for Koreans to raise children amid the rapidly-aging population and low birthrate.

In response, Vice Strategy and Finance Minister Hur Kyung-wook said the government will make every effort to upgrade the education, medicine and social service industries, adding through the promotion of various services sectors, the Korean economy can revitalize domestic demand and reduce its vulnerability to external shocks.

(KBS Global) Spending on Foreign Knowledge Exceeds \$15 Bln.

The Bank of Korea says spending on overseas knowledge services exceeded 15 billion U.S. dollars last year.

Spending in the sector rose 8.2 percent year-on-year last year, including on foreign patents, study abroad and computer services, legal and accounting services in addition to research and development.

Royalties for patents accounted for seven billion dollars, up 24.6 percent. Legal, accounting and management fees amounted to 1.7 billion dollars, up 21.6 percent.

But Korea earned 5.2 billion dollars from the export of knowledge services.

More foreigners also traveled to Korea for medical care, pushing up the country's income from medical tourism to 105 billion won last year. This is the first time the figure surpassed 100 billion won.

(KBS Global) Exports of Agro Food Products Jump 31% in Jan

The government says exports of agro food products jumped nearly 32 percent last month year-on-year to some 397 million dollars.

The Ministry for Food, Agriculture, Forestry and Fisheries said Monday that exports of such products rose 31-point-eight percent in January compared to the same month last year. The last time the figure jumped by such a high margin was in 1986 when exports expanded by 32-point-five percent.

The ministry attributed the jump in the figure to the recovery of the world economy and a sharp increase in exports to China ahead of the spring season.

A ministry official said the nation aims to reach a target of six-point-four billion dollars in exports of agro food products this year.

The official said that in a bid to reach the target, the ministry will work closely with export companies, overseas missions and the Korea Agro-Fisheries Trade Corporation.

(The Korea Times) Shinhan Challenges KB for Top Spot

Over the past decade, Kookmin Bank has been a dominant player in the local banking sector, operating the country's largest number of branch offices and serving the most retail and corporate customers.

But in the wake of the global financial crisis, Shinhan Bank has been catching up fast in a couple of key areas, threatening to take over the top spot.

The market capitalization of Shinhan Financial Group, the parent group of Shinhan Bank, reached 20.4 trillion won Wednesday, edging out KB Financial Group, the parent group of Kookmin, by 400 billion won. The gap further widened to 1.3 trillion won Friday.

Shinhan Bank also overtook Kookmin in net profit, recording 758 billion won in 2009, which is estimated to be the best in the country. Kookmin is estimated to have reaped 680 billion won during the same period.

Analysts said that Shinhan's surge has come from its balanced asset portfolio, which is the result of timely M&As in the past.

"Shinhan has emerged as a leading player by capitalizing on M&As. The group took over Chohung Bank and LG Card, and the move became an engine for growth," Ku Yong-uk, an analyst at Daewoo Securities, said. Shinhan acquired Chohung in April 2006, and took over LG Card in 2007.

"Last year, most lenders suffered from diminishing net interest margins, but Shinhan offset the losses with a strong credit card business," Ku added.

However, Kookmin Bank is still ahead of Shinhan Bank in total assets. Shinhan's total assets reached 234 trillion won at the end of last year, well below the Kookmin's estimated 280 trillion won.

Kookmin was cautious to comment, saying that precise data is not available yet, and that they may yet keep the top place.

"It is not a good time to make any comment because fourth quarter data has yet to be released. Also, we are still under the audit of the regulator," said Kim Ki-yeop, head of public relations team at Kookmin.

"Even if we are behind Shinhan, it is because we focused on risk management by setting aside more reserves for possible loan losses," he added.

Shinhan said that it is aiming to become a global lender.

"Our goal is not just to become the top lender in Korea, but to become one of Asia's top 10 banks, and one of the world's top 50," Kim Young-gil, a manager at Shinhan, said.

Meanwhile, Hana Bank and Industrial Bank of Korea (IBK) are in cutthroat competition for fourth place.

Hana has kept the position so far, but IBK is in close pursuit due to its loans to small and medium-sized companies recently. As of the third quarter of 2009, Hana was fourth in the country in total assets with 161 trillion won, followed by IBK with 160 trillion won.

(The Korea Times) W2 Tril. Fund to Be Set Up for Drug Companies

Korea has unveiled an ambitious vision to foster global pharmaceutical firms through the creation of a large-scale R&D fund and offering various tax benefits to local companies.

The Ministry of Strategy and Finance said Sunday that it will set up a two-trillion won fund by 2015 and provide tax breaks and other incentives to make local pharmaceutical firms more globally competitive as part of efforts to foster the industry as one of the nation's new growth engines.

The government also plans to ease regulations to promote the development of innovative medicine and medical treatments, as well as encourage mergers and acquisitions (M&As) among pharmaceutical firms in order to make them more productive and profitable.

"Our goal is to create globally competitive drug manufacturers here as the pharmaceutical industry has become more important in line with Korea's rising standard of living and growing elderly population. The sector has been subject to strict regulation. But it has great potential to

become one of Korea's new growth engines, creating thousands of well-paying jobs and boosting economic output," a ministry official said.

Korea's pharmaceutical industry lags far behind those of advanced countries, due mainly to heavy regulation and a lack of investment.

Most local companies are engaged in importing medicines from their larger foreign counterparts for domestic patients. Or, they simply manufacture generic versions of patent-expired original drugs for local consumption.

Against this backdrop, policymakers view enlarging the size of domestic companies through M&As and providing funding for research and development (R&D) as the keys to bolstering the sector.

Among other measures, the government will attract investment from the private sector to set up a 300-billion won R&D fund this year and expand it to two trillion won by 2015 to finance local firms' large-scale R&D projects.

Currently, Britain operates a \$1.5-billion bio-medical fund, while Taiwan, Malaysia and other Asian countries have also set up similar funds worth tens of millions of dollars.

"The development of new drugs requires large-scale investment but many of our pharmaceutical companies have difficulty in securing the necessary funds. We will expand the fund in cooperation with the private sector to provide support and investment for R&D and drug commercialization," the ministry official said.

Pharmaceutical companies here spent only 5 percent of their combined 13.9 trillion won in sales in 2008, substantially lower than the 17 percent of the world's top businesses.

Additionally, the government will allow drug firms to deduct 20 percent of R&D investments from their taxable income by designating the industry as one of the nation's new growth engines this year, while spending 212 billion won to promote bio-medical research activities, up 14 percent from 2009.

M&As will be encouraged among pharmaceutical companies through the provision of tax breaks, consulting services and other incentives, while an industrial complex exclusively for bio-medical ventures will be established in Songdo.

The government also plans to spend taxpayers' money to produce talented medical researchers and relax immigration rules to make it easier for drug firms to employ skilled foreign workers.

(The Korea Times) Attack of the Droids

Korea Becomes Smartphone Battlefield for Apple, Google

Google and Apple are entangled in a bitter turf war in mobile search and smartphone technologies, and it appears that Korea's leading technology companies will have a lot at stake in the fight.

The combination of SK Telecom, the country's biggest mobile carrier, and Samsung Electronics, the leading mobile-phone manufacturer, has dominated the market for years — SK Telecom controls more than half of the country's wireless subscribers and Samsung had been getting the lion's share in a virtual handset duopoly with LG Electronics.

However, KT, the runner-up mobile-phone operator, has been putting up a convincing challenge against the status quo after gaining the iPhone, Apple's do-it-all smartphone that is currently the planet's hottest gadget, as a weapon.

The KT-Apple combo is proving to be a devastating force, with nearly 300,000 iPhones picked up from the shelves since the local release late last year.

This has SK Telecom and Samsung scrambling to defend their top positions in the hierarchy, and both are convinced that the Google-backed Android operating system would be their best bet to fight back the iPhone onslaught.

SK Telecom launches a full-scale marketing effort for its Android handsets and software content this week, with a friendly-looking green robot dubbed as ``Androboi," modeled after Android's official trademark, introduced as the symbol of the lineup.

And Samsung last week unveiled its first Android-based smartphone designed for the local market. The phone will be sold through SK Telecom starting in March, complementing the Motorola Motoroi, which will become the first Android handset released in Korea when it comes out later this week.

SK Telecom plans to release 15 new smartphone models this year, including 13 that run on the Android operating system. KT is also looking to release five or six Android-based smartphones this year, while LG Telecom, the smallest of the country's three mobile carriers, is also expected to leap on the bandwagon.

The popularity of Android devices is expected to pick up once Google opens the Korean version of the Android Market, which allows mobile users to download software applications for their Android-based handsets.

Google has been talking with the Game Rating Board, Korea's rating board for video game content, to agree on a reviewing process for games provided locally through the Android Market, and the online applications store will be open to local users soon.

“The market for Android phones will become visible starting next month, and will gain speed as the content pool gains in wealth,” said an official from SK Telecom, which also plans to have software programs on its T-World online applications store enabled on its Android-based smartphones.

“The focus of competition has clearly moved from feature-phones to smartphones, and we believe that the Android phones will establish themselves as central devices.”

Smartphones work more like handheld computers than conventional phones, supporting Web browsing, e-mail, games and a wealth of multimedia features aside of voice.

They have been a hard sell in Korea in the past years, with consumers put off by their outrageous prices, clunky user interfaces and lack of software content. However, the introduction of intriguing devices such as the iPhone and Samsung's Omnia II has smartphones now going mass market.

The country had barely 300,000 smartphone users before KT released the iPhone last November, but the market has roughly tripled in the three months since.

Smartphones are critical for mobile-phone carriers, who have yet to gain significant return on their massive third-generation (3G) investments and desperate to milk their users for more data revenue to make up for the decline in voice sales.

Handset vendors like Samsung and LG Electronics are banking on smartphones, as they provide higher margins than conventional handsets. Although Samsung trails only Nokia as the world's No. 2 handset vendor overall, with a global share of over 20 percent, it is only the No. 5 brand in smartphones with just around a 3 percent share of the segment.

The Android platform, developed by a cross-industry alliance led by Internet giant Google, is based on open source Linux software and enables greater flexibility for programmers building applications and features tailored to handsets. Currently, the Open Handset Alliance, which leads the Android platform development, has 47 member companies, including handset vendors, mobile-phone operators and chipmakers, with the notable exceptions being Apple and Nokia.

Apple has been dominating the smartphone war recently with the iPhone and App Store, its online applications service.

This has electronics makers and wireless carriers desperately seeking ways to beat Apple at its own game, and so far, the Android operating system has been gaining hype as the next big thing in mobile services.

Although the iPhone is garnering a major chunk of smartphone mobile traffic, Google is hoping that the Android platform will emerge as a formidable contender in the following years and allow it to gain the lead.

(The Korea Times) Local Bank Stocks Lose 4.5% Over EU Budget Crisis

Regulatory Crackdown Also Scares Away Investors

Korean banks are becoming less attractive to investors amid various threats and risks in and out of the country.

Most big banks have seen their stock prices decline in February despite above-average performance. The debt crisis in southern Europe and the bankruptcy risk of Kumho Group are major factors behind such lethargy, while the government's meddling in the management of big banks is hardly encouraging investors.

On Monday alone, the KRX Finance index, which aggregates the stock prices of 10 big banks, lost 4.5 percent.

This is because Korean banks are more vulnerable to the European crisis than they look, said Hanwha Securities analyst Park Jong-hyun.

"Banks supply about 60 percent of foreign currencies by selling bonds to European banks in London. But those European banks have become more cautious recently, and some of them will terminate their contracts," he said.

On paper, Korean banks have relatively low exposure to the so-called PIGS nations - Portugal, Italy, Greece and Spain - with only \$290 million in loans. But lower supply in the London money market means that Korean banks have to pay higher premiums for borrowing, which could damage their bottom line even before the crisis spreads to larger nations, Park warned.

Another big risk lies within the banks themselves. From late last year, regulators have been pressuring banks to reshuffle their boardroom members. They tried to teach the banks a lesson by forcing Kang Chung-won, chairman of KB Financial Group, and later Cho Dam, the chairman of the board, to step down.

The financial authorities have officially denied any intervention in the KB case. But a high-ranking official at the Financial Services Commission (FSC) admitted such was its intention.

"We were working on the boardroom reform plan from early last year and suggested that Kang put off the chairman's election until we finalized guidelines. But he didn't listen to us," the FSC official said on the condition of anonymity. "Banks cannot resist if regulators put pressure on them."

There have been wide debates about whether the government should intervene in banks' managerial decisions, and if so, how deeply it should be involved. Though opinions differ from organization to organization and from person to person, the general consensus in the market is that the banks need clear guidelines from regulators.

However, these have been somewhat vague. One of the main issues is that a CEO cannot be appointed as chairman of the board in the future, but even that rule is flexible.

"The main concept is the banks should comply with the rules, or explain to us if they cannot," another official said.

"We don't want to force homogenous regulations on every bank. We will have some flexibility."

The banks may also find it hard to fill the boardrooms when their incumbents leave this year, since candidates are reluctant to take offers after having seen what happened to Cho.

For this reason, critics suspect that now only government-backed candidates will be allowed into the boardroom. Chung Se-kyun, the leader of the opposition Democratic Party, has raised his voice over the growing government control on the private banking sector.

(The Korea Times) Auditors to Probe Lax Management at Public Firms

The Board of Audit and Inspection (BAI) pledged Monday to inspect 132 state-funded firms and their subsidiaries this year in an effort to address lax management and low productivity in the public sector.

BAI Chairman Kim Hwang-sik said the agency will focus on keeping an eye on government-funded projects and moral hazards among civil servants in 2010.

Kim noted that the BAI has launched a task force to prevent possible irregularities involving major state-run projects, including the controversial, multi-billion dollar four-river restoration program.

"The BAI has constantly monitored the progress of the four-river project since January last year and established a task force last August," Kim told reporters in Seoul.

"The agency is also currently reviewing all the issues to which politicians and civic groups have raised questions."

Sources say that the BAI also plans to launch investigations into education gap reduction in April; job-creation in May; "green growth" projects in June; childbirth promotion in September; and multicultural family support in November.

They say the agency will intensify its surveillance on public servants' wrongdoings ahead of the June 2 elections to pick mayors, governors and council members nationwide.

The BAI is also expected to launch a task force to investigate irregularities among ranking officials this year.

(The Korea Times) Lee Asks Firms to Help Korea Become Model for Job Creation

President Lee Myung-bak urged economic policymakers and private firms Monday to step up their efforts to create jobs, saying the sluggish job market was one of the biggest challenges for Korea despite its surging international status.

“Korea's overseas reputation is improving fast, but we should not be complacent yet as we still face the daunting task of creating jobs,” Lee said in a biweekly address to the nation.

Recalling his recent trip to Switzerland to participate in the World Economic Forum, he said the world expects Korea to play a larger role in establishing a new economic order as well as addressing global imbalance.

“South Korea is transforming itself from a country that follows rules set by other nations into one of the nations that sets the rules,” Lee said. “Our success itself is inspiring many countries to have dreams and hope.”

Despite the accomplishments, however, the President said it was premature for Korea to be complacent.

“Given the agony of jobless people, we should not be relaxed even for a moment. Creating jobs is the best policy for citizens and welfare,” the former corporate CEO said.

“Just as South Korea got out of the global economic crisis at a fast pace, I will strive to make the country an exemplary country in terms of job creation.”

Lee called for companies to support such government efforts.

“The role of the corporate and the civilian sector is as important as that of the government in resolving the worldwide problem of jobless growth,” Lee said. “That is why South Korea plans to host a business summit, which will draw a large number of global business leaders, together with the G-20 Summit in November.”

Lee noted that global political and business leaders he met in Switzerland expect Seoul to play a bigger role on the global stage, especially in bridging the gap between advanced and developing nations.

Last November, the country joined the OECD's Development Assistance Committee, a group of donor countries, becoming the first-and-only nation to shift its position from a recipient of international aid to a donor.

(The Korea Times) 'Tourism Slogan Needs Inspiration'

The new slogan for Korean tourism "Korea, Be Inspired" was announced last week, triggered debate on the effectiveness of the catchphrase to better promote the country.

In response, The Korea Times wrote an article on the matter in its Tuesday edition.

Here are a sample of the reactions to the article from online and offline responses.

The netizen "dmlum" said that the new slogan is "not very slick but honest," expressing his preference for something more catchy. He suggested "Korea Captivating."

Michael Chung of New York suggested "Korea, the Spice of Asia." He said that Westerners immediately associate spicy food with Korea.

Others criticized the government for changing the national tourism catchphrase too often.

A blogger nicknamed Kamji said slogans should relate to past campaigns. "The new slogan is a discontinuation of the previous catchphrases — 'Korea Sparkling' and 'Dynamic Korea,'" she said.

She also pointed out that the Korea Tourism Organization (KTO) didn't use one standard slogan. "On the KTO's Web site, the slogan 'Korea, Be Inspired' was used but on some other sites and promotions, 'Korea Inspiring' is used," she said.

"It might be confusing and less credible if the slogan is not unified in the campaign. The motto symbolizes the national image of Korea and thus the campaign should be conducted in a more prudent way."

Some gave the opinion that Korea lacks tourist resources, not a catchy slogan.

"If Korea had anything going for it as a tourist destination it wouldn't need a slogan," a netizen nicknamed Capt Porridge said.

(The Korea Times) Top Singer Booked for Selling Bogus Luxury Clothing

Three entertainers have been booked for selling bogus designer goods through online shopping sites.

A Seoul police office said Tuesday a total of 210 companies selling fake designer clothes, along with the three stars, had been booked without detention.

One of the entertainers, a top female singer, is suspected of having reaped in some 2 million won after selling 135 items of clothes and accessories that falsely carried the names of renowned foreign brands between August and November of last year.

Two actresses are also under investigation for making 1.5 million won and 500,000 won respectively by selling bogus products online.

They had allegedly bought the fakes from Dongdaemun Market and sold them through their online stores.

The investigators said the entertainers stopped selling the goods when authorities started to look into their online stores.

The police also caught eight other such sites for using the names of famous entertainers to sell fake goods under false pretenses and are investigating whether they had conspired with the stars.

The police started to investigate the cases from last November and have caught a large number of people involved, including the entertainers.

(The Korea Times) Finance Minister Warns Against Rate Hike

The nation's top economic policymaker Tuesday urged the Bank of Korea (BOK) not to raise its key policy rate against increasingly unfavorable economic conditions at home and abroad, including the debt crisis currently engulfing four southern European economies.

Strategy and Finance Minister Yoon Jeung-hyun also said the government will continue expansionary fiscal policies for the foreseeable future to facilitate the ongoing economic rebound and increase monitoring of the increasingly unstable global financial market conditions to better cushion the domestic sector from negative external shocks.

“The Korean economy continues on a solid recovery path, but private sector activity is not strong enough to offset waning fiscal expenditures. Additionally, there is still a host of downside risks at home and abroad. Since the beginning of the year, the extent of the global uncertainty has worsened, following China's credit tightening, the strengthening of U.S. banking regulation and Greece's debt problem,” Yoon said at the National Assembly. He has repeatedly called the withdrawal of extraordinary expansionary policies “premature.”

Yoon told lawmakers that the BOK's monetary policy committee will decide what is the best for the country, adding it is inevitable for the nation to maintain its expansionary policy mode for the time being.

His remarks came two days before a meeting of the seven-member decision making body on Thursday, which could be seen as influence peddling on the part of the government.

Vice Strategy and Finance Minister Hur Kyung-wook said Tuesday that he will attend the upcoming BOK rate-setting meeting, his second visit. In January, Hur showed up at the meeting, becoming the first senior finance ministry official to do so in 11 years. It was seen by many as the government's attempt to tame the central bank, hurting its neutrality.

Regardless of Hur's presence, the BOK is widely expected to leave its key rate untouched at the record-low level of 2 percent on Thursday for the 12th straight month amid worsening macroeconomic conditions, including January's trade account deficit.

But with soaring consumer prices as a result of higher oil and agricultural prices in recent months, calls for the rate hike to be rein in growing inflationary risks are gaining momentum inside and outside the central bank.

Meanwhile, Minister Yoon projected the Korean economy will expand 5 percent this year from 2009, creating more than 200,000 new jobs. "Our top priority is to generate jobs and achieve sustainable growth. To do so, the government will make every effort to boost domestic demand and advance the services industry."

Against increasingly unfavorable global economic conditions, he said the finance ministry will strengthen the monitoring of the international financial market in cooperation with the Financial Services Commission (FSC) and other state bodies.

"Greece's debt problem could spread to Portugal and other European countries, which would shake the international financial sector up. Some say the International Monetary Fund should step in and provide funds to debt-ridden economies to stop the problem from spreading to the rest of the world. But it will be more desirable for the European Union to contain the situation," he said.

When asked about the possibility of Korea imposing a "Tobin" tax on short-term cross-border capital transactions, as Brazil did, Yoon said the tax will cause more harm than good to the local financial market.

(The Korea Times) KOTRA to Continue to Get Overseas Tax Exemptions

There are many benefits for employees of state-affiliated organizations working in foreign countries. To name a few, they include handsome housing subsidies, larger paychecks, and other extra monetary and residential perks. But the icing on the cake has to be the income tax exemption, meaning they do not pay a single dime in taxes on what they earn abroad.

But the government said last year that it would slash tax benefits given to workers of state-funded entities overseas as part of its efforts to raise tax revenues amid the deteriorating fiscal conditions, following the unprecedented worldwide economic downturn.

Regardless of their affiliation, employees would be allowed to deduct only one million won per month from their taxable income.

However, the government has changed its mind and decided to permit employees of Korea International Cooperation Agency (KOICA), Korea Trade Investment Promotion Agency (KOTRA) and Korea Tourism Organization (KTO) to continue to enjoy income tax exemptions.

“We will continue to exempt workers of the three organizations abroad from paying income taxes because they work in foreign countries on behalf of the government. Additionally, their wages and other benefits are financed through taxpayers' money,” the Ministry of Strategy and Finance said.

But the tax benefits for employees of the Bank of Korea, the Korea Development Bank and other state-linked bodies will diminish from July as initially planned. They will only be able to deduct one million won from taxable income, while having to pay tax on the rest of their earnings.

At the Cabinet Meeting presided over by Prime Minister Chung Un-chan Tuesday, policymakers approved these and other changes to the nation's taxation system.

The government had previously planned to levy a 5-percent special excise tax on air conditioners that consume over 400 kilowatts of electricity per hour in April. But in a bid to further encourage companies to manufacture more energy-efficient products and consumers to save energy, coolers that use more than 370 kilowatt per hour will be slapped with the excise tax.

Buyers of refrigerators that consume over 40 kilowatts per hour will also pay 5 percent more. Previously, those who use over 45 kilowatts per hour were subject to the new tax.

In order to promote the construction of more rental housing amid its shortage in and around Seoul, the government plans to exempt owners of untenanted leasing homes from the comprehensive real estate tax. Currently, those who own rental homes that are uninhabited for over two years are required to pay the tax.

(The Korea Times) E-Mart Struggles to Keep ‘Cheapest’ Promise

Barely a month after declaring itself as the country's cheapest source of essential grocery items, the humbled discount giant, E-Mart, appears to be backing off.

E-Mart, the country's largest retail chain and crown jewel of Shinsegae Group's corporate empire, had engaged in a cut-throat price competition with rival discount chains such as Lotte Mart since the start of the New Year.

After E-Mart announced it would be shedding up to 36 percent off the prices of 12 consumer items, including snacks and everyday items, Lotte Mart and Homeplus responded by touting to

sell the same products for ``10-won less," only to have E-Mart again promising to provide the lowest prices and so on.

Although the price competition jolted the number of visitors flocking to E-Mart outlets, it quickly turned out to be a public relations (PR) disaster, with the retailer failing to supply enough products to go around the hoards of consumers at the gates.

After being shelled by consumer complaints, as well as resistance by food companies and other manufacturers to provide their products at lower prices, E-Mart has now finally conceded and declared an end to the ``10 won wars."

``We won't be offering discounts of a greater level than those we promised on Jan. 7 and Jan. 15. Our outlets in certain districts, in competition with other chains, have been continuously shedding 10 won or 20 won off the prices, but the prices there will be returned to normal levels as well," said an E-Mart official.

At E-Mart's Yeongdeungpo outlet, the price of belly pork had plunged to around 580 won per 100 grams, as it competed ferociously with a nearby Lotte Mart.

However, as of Monday, the outlet was selling pork belly at around 970 to 980 won per 100 grams, recovering its normal level, which now has the neighboring Lotte Mart selling the same cuts at around 970 won, apparently still clinging to the 10 won rule.

Consumer rights advocates have been questioning whether E-Mart's loud discount promises were just a cheap way to lure more consumers and have them buy other items on the shelves instead.

Aside of the Orion chocolate pie and a few others, E-Mart's list of the 12 discount products was devoid of well-known brand products, and consumers were frustrated to see the frequent ``sold-out" signs on the fruit and meat aisles.

(The Korea Times) Korea Ranks 4th in Global Patent Filings

South Korea ranked fourth last year in the number of international patent applications, with LG Electronics and Samsung Electronics leading the way.

The nation filed for 8,066 international patent applications last year, up 2.1 percent from a year earlier, the World Intellectual Property Organization (WIPO) said Monday in a press release.

The United States stayed atop on the list with 45,790 applications, ahead of Japan and Germany. However, both the top two Western countries suffered a double-digit contraction last year.

International patent filings dipped last year overall amid the global economic downturn. A total of 155,900 international patent applications were filed under the Patent Cooperation Treaty (PCT) last year, down 4.5 percent from 164,000 in 2008.

WIPO, however, was still positive on the future outlook.

With China up one notch with a 29.7 percent growth, East Asian countries continued to enjoy positive growth in spite of the challenging global economic conditions.

LG Electronics topped Korean companies, becoming the world's seventh-biggest international patent applicant. It filed for 1,090 applications, up one notch from 2008, outpacing Japan's NEC Corporation.

Three more firms made the list of the world's top 100 applicants. Samsung Electronics had 596 applications, down from 639 in the previous year, but managed to rise two places to be ranked 17th.

The state-backed Electronics and Telecommunications Research Institute posted 452 applications to rank 24th, while LG Chem saw its rank drop to 75th with 210 filings, down from 51st.

WIPO data, however, showed Korea has a long way to go in competing with Japan, which had 31 companies on the 2009 list, including four in the top 10. Japan's Panasonic Corp. led with 1,891 filings, outnumbering China's Huawei Technologies by 44.

South Korea has been producing a substantial number of international patents in recent years but criticism is on the rise that their quality is falling behind most advanced countries in profitability.

The contribution of local patents to the national economy is much lower than in major countries, Statistics Korea said last month citing a report submitted to Rep. Kim Jung-hoon of the ruling Grand National Party.

In 2007, Korea's rate of valid patents for the national gross domestic product, which is an index of profitable patents, stood at 2.12, nearly one-11th of China's 25.31. The United States posted 7.42 for the index, with Germany and Japan tallied at 5.74 and 3.95, respectively.

(The Korea Herald) President Lee reaffirms efforts to create jobs

President Lee Myung-bak said Monday that Korea has greatly enhanced its international status but it can not afford to be complacent yet as it still faces a daunting task of creating jobs, according to Yonhap News.

"Korea is transforming itself from a country that follows rules (set by other nations) into a nation which makes rules," Lee said in his biweekly radio address.

The president said global political and business leaders he met in the Davos Forum last month agreed that Seoul is playing a bigger role in the international community, especially a bridging role between advanced and developing nations.

Korea is riding out the global economic crisis faster than any other countries. It is the chair of this year's summit of the world's 20 major economies to be held in Seoul Nov. 11-12.

In November last year, Korea also joined the Development Assistance Committee, a group of donor countries under the Paris-based Organization for Economic Co-operations and Development, becoming the first-and-only nation to shift its position from a recipient of international aid to a donor.

"Korea's success itself is inspiring many countries to have dream and hope," Lee said.

For all the accomplishments, however, the president said it is premature for Korea to be complacent about the accomplishments.

(The Korea Times) Korea, Yemen launch working-level talks on avoiding double taxation

Korea and Yemen started on Monday their first round of working-level talks on a double-taxation avoidance deal, Seoul officials said, according to Yonhap News.

The talks to be held until Wednesday here are part of the government drive to expand bilateral investment and business ties with the resource-rich Middle East country, the Ministry of Strategy and Finance said in a press release.

(The Korea Herald) Korea, Germany to discuss G-20, trade, reunification

Korean and German leaders were to hold talks here later Monday to discuss ways to boost cooperation at the G-20 economic forum and facilitate the implementation of the free trade agreement between Seoul and the European Union, Korea's presidential office said, according to Yonhap News.

German President Horst Kohler arrived in Seoul Sunday, becoming the first German president to travel to Korea in eight years.

"President Lee Myung-bak and President Kohler plan to have in-depth discussions on the G-20 summit in November and Germany's cooperation in having the Korea-EU agreement take effect at an early date," Cheong Wa Dae said.

Korea is scheduled to host the G-20 summit on Nov. 11-12 this year. Korea, one of Asia's major economies, struck a provisional deal on free trade with the European bloc last year.

The two sides are expected to sign a formal agreement in May this year.

Also to be discussed at Monday's summit are bilateral issues on promoting trade and investment and bolstering partnership on recycling energy, green growth, and science and technology, as well as regional and global issues such as climate change and the security condition on the

Korean Peninsula, according to Cheong Wa Dae. Korea, seeking to reunite with the communist North Korea, hopes to take lessons from Germany's experience of reunification.

(The Korea Times) Korea Pledges \$12 Million in Aid to Uzbekistan

Korea will provide \$12 million in aid to Uzbekistan this year in line with its effort to boost the two countries' strategic partnership, the Ministry of Foreign Affairs and Trade said.

Minister of Foreign Affairs and Trade Yu Myung-hwan signed four agreements on economic assistance for the Central Asian nation with his Uzbek counterpart Elyer Ganiev at the ministry in Seoul, Wednesday.

Uzbek President Islam Karimov arrived in Seoul Wednesday evening for a summit with President Lee Myung-bak, Thursday.

Under the agreements, Seoul will provide \$8.65 million worth of support and supplies to Uzbekistan on top of its current annual assistance budget of some \$3 million.

"The total amount of Korea's assistance to Uzbekistan this year alone will stand at \$12 million, should it include the funds set for sending 57 volunteers there, inviting 97 Uzbek workers to Korea on a training program and supporting non-governmental organizations," a ministry official said.

Seoul will provide \$3.5 million to improve and replace the heating system of the government buildings in Uzbekistan's northern Khorezm region, and \$3 million to help the country fight against contagious diseases.

Korea will also offer \$1.5 million to build four water pumps in Khorezm to help secure safe drinking water there and \$650,000 to develop a solution for recycling salty irrigation water.

Apart from the four agreements, Korea also signed a memorandum of understanding on defense cooperation that calls for the establishment of a joint committee on the purchase of defense equipment.

Ganiev, who also serves as vice prime minister, arrived here last week ahead of Uzbek President Karimov's three-day state visit.

Vice Prime Minister Ganiev expressed gratitude for the Korean government's warm welcome extended to President Karimov and expressed satisfaction over the great development of ties and cooperation between the countries in the political, economic and cultural sectors based on the friendship and trust of their leaders, the ministry said.

Yu noted that Karimov's visit will further strengthen the two countries' diplomatic ties in becoming strategic partners. The last summit between the two nations was held in 2005 between President Karimov and then Korean President Roh Moo-hyun.

(The Korea Times) Firms Take Creative Approach to Training

This year, POSCO's fresh-out-of-college hires faced an unexpected challenge during their four week training program.

On the last day of training last week, the 148 recruits were split into groups and tasked with performing a musical — an activity designed to underline the theme of synergy between the steel company and its affiliates.

Local companies' training programs for new hires have traditionally been considered an unpleasant series of classes and boot camp-style outdoor activities.

But some recently developed programs are seeing companies becoming more creative in training their newcomers.

POSCO isn't the first to include a group production as part of its induction program.

It's been a tradition at local refiner GS Caltex for new employees to put on a musical at its New Year's kickoff event, and another local conglomerate, Hyosung introduced a similar activity this year.

Elsewhere, SK gave its new workers the mission of producing a corporate advertisement campaign in the form of user-created content during its training.

Other companies are even sending their new recruits abroad. Recently-hired employees of STX Group, which specializes in shipbuilding and marine engineering, went on a 10-day trip to Chinese cities including Dalian, Qingdao and Shanghai on a cruise ship, in a program designed to boost their company pride. Apparel exporter Hansae sent its 30 recruits to Vietnam and Saipan for three days last month, so they could take a closer look at the company's overseas operations.

The changes aren't just about the curriculum, either. Samsung and Hanwha became the first Korean firms to go ``paperless" with their courses by doing away with all textbooks.

In Samsung's program that started last month, the business group supplied a ``netbook" to each of the 200 new employees, and all the educational material educational was offered in the form of computer files.

Carried out as a pilot project, the paperless approach is likely to become a mainstay as the tech-savvy young workers had a positive response to the new system, Samsung said.

Hanwha, which wrapped up its training session last month, also offered its materials through e-books.

Amid the growing significance of social contribution, more companies are including voluntary service activities as part of the education.

The 30 recruits of Renault Samsung Motors helped last week with farm work at a rural village nearby the carmaker's plant in Busan, while new employees of Woongjin Group carried out a one-day environmental campaign on the streets of Seoul late last month as part of their pre-work program.

(The Korea Times) KB Financial Posts W540 Bil. in Net Profit

KB Financial Group, the nation's largest financial holding company, posted a net profit of 539.8 billion won in 2009, down 71.2 percent from the previous year, the group said Wednesday.

The fall came as the group experienced a double burden of rising credit costs and falling profitability as a result of piling up reserves for loan losses in a more conservative manner than its peers.

The group recorded 17.8 billion won in net profit for the fourth quarter, down 89.7 percent compared to the same period in 2008.

Revenue also shrank 66.6 percent year-on-year to 6 trillion won, according to the company.

Compared with three months earlier, KB Financial's bottom line was down 89.7 percent.

Shares of KB Financial finished up 1.03 percent to 48,850 won on the Seoul bourse before the earnings were released.

"Loan-loss provisions increased to cover Kumho Asiana Group restructuring," the group said in an announcement. KB set aside 437.3 billion won in reserves for corporate loan losses in the fourth quarter, and out of it, about 250 billion won was reserved for Kumho.

Shinhan Financial Group, which reported 1.3 trillion won in net profit during the same period, put aside 374 billion won for loan losses in the same period, of which 141.6 billion won was for the debt-struggling conglomerate.

In terms of total assets, KB reported 316 trillion won, down 1.2 percent from the previous year. Among them, Kookmin Bank, the flagship of the financial group, has 259.5 trillion won. The net interest margin for Kookmin Bank marked 2.61 percent, up 41 basis points from the previous quarter.

"Net interest margins continued to improve in the fourth quarter, while the loan-loss cost increased due to Kumho," the group said in the statement.

The group's profit from interest marked 6.4 trillion won, which represented a fall of 13.4 percent from the previous year, while profit from non-interest was at 560 billion won, down 44.1 percent from 2009.

In the meantime, Woori Financial Group said that it recorded a net income of 1.03 trillion won in 2009, up 126 percent from a year ago. Revenue plunged 78.9 percent on-year to 8.26 trillion won while operating profit came to 190.5 billion won.

Net profit stood at 156.8 billion won in the October-December period, a turnaround from a loss of 664.8 billion won a year earlier. But compared with three months earlier, net income declined 67.6 percent, hit by its exposure to the ailing Kumho Asiana Group.

(The Korea Times) Hyundai Sonata Soars to Top Tier in Residual Value

For drivers who seek to buy models with the least depreciation in prices, the 2011 Hyundai Sonata GLS might be the perfect fit as it is found to have the best-in-class residual value.

The Automotive Lease Guide (ALG), the industry consultancy in the United States, gave a 36-month residual value of 54 percent for the 2011 Sonata, one of the highest among the mid-size car category.

This means buyers of the Hyundai vehicles can resell them at 54 percent of the initial price tags, three years after the purchase. For example, if a U.S. citizen snaps up the model today at \$20,000, he or she will be able to dispose of it at around \$11,000 in 2013.

Hyundai said that the high residual value, which marks a progress of more than 10 percentage points from the previous survey, topped the models of its competitors such as Toyota, Nissan, Ford and Chevrolet in addition to premium brands such as Lexus, BMW and Mercedes.

"Hyundai's model lineup continues to evolve and the completely redesigned 2011 Sonata punctuates the tremendous evolution in Hyundai performance, design, safety and quality," Troy Saito, manager of Hyundai Motor America, said in a statement.

"Strong residual value has become another element in Hyundai's overall value equation, reducing the overall cost of ownership and allowing us to offer strong lease options to our customers."

Other Hyundai models also advanced. The 2010 Genesis sedan chalked up residual value of 47.5 percent according to the ALG.

The figures were 52.3 percent and 49 percent each for the all-new Genesis Coupe and the 2010 Veracruz.

Residual value is one of the most important criteria for U.S. customers to select cars because trading of second-hand vehicles remains high in the world's largest economy.

(The Korea Times) Founder Lee Embraced East, West Management

Samsung Group founder Lee Byung-chull created a unique style of business management by combining neo-Confucianism with management styles found in advanced countries, an economic scholar said.

Tweaking with the prevalent top-down structure of organizations here, the late business guru introduced Japanese-style management, German-style production control and Americanized personnel management to lift Samsung to become the top Korean conglomerate, Rang-Ri Park Barjot, a researcher at France's Sorbonne University, said Wednesday at a symposium in Seoul to commemorate the 100th anniversary of Lee's birth.

Under his leadership, Samsung became an archetype for chaebol, standing out among other Korean companies, according to Barjot.

Samsung's characteristic features in management include investing in educating talented and promising employees and a sense of finesse when it came to controlling the organization.

Samsung also contributed to the miraculous growth of the Korean economy by creating many jobs and massive investment, she added. Thanks to the explosion of research and development, it successfully replaced the strategy of imitation with one of innovation to catch up to global rivals.

Adding to the unique culture of Samsung was its consistent interest in nurturing talent, said Professor Isao Yanagimachi of Japan's Keio University.

“Lee's philosophy in management is similar to that of Yataro Iwasaki, the founder of Japanese giant Mitsubishi, given their common interest in merit-oriented management,” Yanagimachi said.

“Iwasaki wasn't a man of high education, but he placed a high value on it and was always committed to recruiting talented employees and polishing them through further education.”

Samsung has long been known as a “business academy,” because it established a system to find recruits with great potential and make the best of their talent. Lee believed that that “productivity grows naturally if employees are educated and managed correctly.”

Yonsei University Professor Chang Jin-ho said Lee's history of business management embodies Korea's transformation of its economic and industrial structures.

“He advanced new businesses according to the changing times, in consideration of Samsung's competitiveness and Korea's economic development,” Chang said.

“Also, some features common to Korean companies, such as aptitude tests for recruiting and operational divisions of organization, were first introduced into Korea by Lee.”

Lee's legacy now gives local conglomerates the mission of extending his innovations to become sustainable management strategies, some participants of the symposium said.

Professor Tarun Khanna of Harvard University said there needs to be more study shedding light on the positive side of conglomerates, urging society to acknowledge their pivotal role in the economy.

“It's just like looking away from an elephant in the room to focus only on the negatives of conglomerates and refusing to look on their positive effects,” Khanna said.

Also, Korean conglomerates should always be alert to the trap of self-complacency, so they can make the best of their talent and maximize creativeness, he added.

Some 500 local entrepreneurs and scholars took part in Wednesday's symposium. Cho Suck-rae, chairman of the Federation of Korean Industries, delivered the opening remarks and Choi Woo-seok, former vice president of the Samsung Economic Research Institute, made a speech on the life and business management philosophy of the Samsung founder.

(The Korea Times) POSCO Donates \$300,000 to Haiti Relief

POSCO, the nation's largest steelmaker, donated \$300,000 to Haiti relief Wednesday.

Representatives of the company visited the Korean Red Cross and handed the donation to the organization. Also, the 78 million won (\$67,224) collected from employees through a week-long online contribution drive late last month was also given to the organization.

"I'm sure Haiti will recover from the disaster soon as helping hands are flooding in from all over the world," POSCO CEO Chung Joon-yang said.

(The Korea Herald) Koreas to hold talks on Gaeseong, Geumgang tour

South and North Korea are to discuss today resuming cross-border tours to the North's Mount Geumgang resort and historical border town of Gaeseong.

Seoul suspended tours to Mount Geumgang after a South Korean tourist, Park Wang-ja, was shot to death by a North Korean soldier there in July 2008. The North barred South Korean tours to Gaeseong in December that year in protest of what it claimed was Seoul's "confrontational" policy.

At today's talks, the South plans to push for new rules on the safety of tourists and a visit by South Korean officials to the site of Park's death.

It will also call for supplementing a set of inter-Korean agreements to guarantee South Koreans' right to consult a lawyer and meet with South Korean authorities should they break North Korean law in Gaeseong or Mount Geumgang.

The deal should be revised to state the length of interrogation by the North, an official at the South's Unification Ministry said.

A South Korean engineer was detained in the North for four months last year on charges of criticizing the country's political system and instigating a North Korean woman to defect to the South.

Seoul also plans to bring up the issue of having a South Korean team stationed in the Mount Geumgang resort to deal with accidents, safety management, facility maintenance and administrative affairs for investors there.

The Koreans had agreed to do so in early 2008 but failed to implement a plan.

"We don't think a single round of talks would sort out all the problems," the ministry official said.

"Follow-up meetings are likely be held to discuss the details."

The two sides exchanged lists of three delegates each to attend the talks over the weekend.

South Korean officials from the ministries of unification, justice and tourism are scheduled to sit down for talks in Gaeseong at around 10 a.m. today.

(KBS Global) S. Korea's OECD Economic Indicator Tops 100 for Dec.

South Korea's composite leading indicator (CLI) topped 100 for the eighth straight month in December of last year.

According to the Organization for Economic Cooperation and Development (OECD), South Korea's CLI stood at 106-point-six in December, up three-tenths of a percentage point from November.

The nation's CLI surpassed 100 in May of last year, and has been on an upward swing ever since.

The average CLI among OECD member countries came to 103-point-one in December.

The indicator for five major Asian economies --- including South Korea, Japan and China --- stood at 102-point-five.

A reading above 100 indicates a country's economy is expanding.

(The Korea Times) Korea Eyes \$45 Bil. Train Deal in US

Can Korea pull off another surprise in a bid for a global infrastructure project?

Following its winning bid for the \$20 billion project for nuclear power plants in the United Arab Emirates, Korea is vying for a \$45 billion project to build a bullet train connecting San Francisco and Los Angeles, which is set to begin this year.

By all accounts, the competition will be fiercer.

Second Vice Minister Choi Jang-hyung of the Ministry of Land, Transport and Maritime Affairs visited California this week and signed an MOU with the California High Speed Rail Authority (CHSRA) Thursday.

The CHSRA has entered into similar information-sharing pacts with other countries with expertise in high-speed rail projects.

"China, Germany, Japan, Italy have signed the pacts and are competitors in the bid for the California high-speed rail project," the ministry said. "While the MOU does not immediately translate to Korea's acquisition of project, it does mean that the state government will consider an active review of Korea's plans."

In recent years, Korea's railway industry has had a series of overseas export success in the burgeoning high-speed rail markets in China and other parts of Asia as well as Africa. Korea is hoping to repeat its success in California, which recently acquired \$2.25 billion in federal stimulus funds for the 1,280 kilometer high-speed rail between San Francisco and Los Angeles. The funds will be used for building its initial segment between San Francisco and Anaheim sometime this year, according to latest U.S. news reports.

Upon completion around 2018, bullets trains running at 350 km per hour will connect San Francisco and Los Angeles in as little as two and a half hours. The system will also link other major cities in the state, including Sacramento, San Jose, Fresno, Bakersfield and San Diego.

Hyundai Rotem is one of the companies that participated in a task force comprised of 17 public and private corporations to research the California project last year. Other participants are POSCO Engineering and Construction, Samsung SDS, GS E&C, SK E&C, Korea Railroad Corp. (Korail), Korea Rail Network Authority and the Korea Trade-Investment Promotion Agency (KOTRA). Officials from these companies visited California and presented Korea's engineering expertise in high-speed rail networks to local authorities in August 2009.

What are the chances that a Korean company secure the California project?

Korea and the state of California already enjoy a history of strong railroad cooperation.

In January, Hyundai Rotem exported 131 multi-level carriages for the Southern California Rail Authority's (SCRRA) Metrolink network in Los Angeles. Hyundai Rotem is the third-largest seller of urban metro passenger cars after Canada's Bombardier and France's Alstom, and currently has a plant in Philadelphia.

A global frontrunner in high-speed rail, Korea is one of a handful of countries in the world - after Japan, France and Germany - that has the capacity to build and operate a 350km/h high-speed train. A bullet train usually runs over 200km/h.

"Currently, Korea accounts for 0.5 percent of the world's rail market share. But prospects for exports are higher than ever," Choi Yeon-hye, president of the Korea National Railroad College in Gyeonggi Province, said in a recent column. "For the past five years, Korea has demonstrated top skills in high-speed railway operations and maintenance."

Korea has been running a high-speed rail network with KTX trains since 2004. An upgraded version of the Korean-made bullet trains called the KTX II will start operations on March 2.

Korean companies have had much success in the growing Chinese railway market, having been selected to construct railways in Chongqing, Guangzhou and Harbin in recent years. Beating France and Italy, Korea won a bid to build a national railway network in Cameroon in June 2009, marking Korea's first railway operation in Africa.

Additionally, Korea has an edge in price competitiveness compared to consortiums from Japan and France, according to industry experts. Due to the financial burden of the project, price is a crucial factor for local authorities in selecting the consortium that will be tasked with a package of responsibilities from designing and constructing the railways and tunnels to operating signals and carriages.

Germany's Siemens has already set up operations in Sacramento, Calif. for the high-speed rail project.

Siemens' new breakthrough train, the Sapsan, is a candidate for the San Francisco-Los Angeles link. The Sapsan's top speed reached 400 km/h in test runs. They are currently used on the route between Moscow and St. Petersburg.

China is another tough competitor as it's determined to succeed in the railway market. It runs bullet trains that are faster than France's TGV. China will invest 823.5 billion yuan (\$120.6 billion) in railways in 2010, including the construction of a high-speed train linking Shanghai and Beijing.

Experts say that how Korea does in Brazil's May 2 auction for contractors to build a \$17.4 billion high-speed train link will be a true test of Korea's rail competitiveness. A successful bid there is expected to increase Korea's chances in California and other parts of the U.S.

(The Korea Times) Does Anyone Want New Taxes on Food Waste?

The Ministry of Environment has put the brakes on Seoul City Hall's plan to allow the introduction of food waste disposal units at apartments and homes.

As pertinent measures to the central government's plan to slash 20 percent of food waste disposal by 2012, the two have come up with very different approaches: placing garbage disposal units to homes or imposing a tax on waste generation.

According to the city government, the disposal units will be installed at the 538-household Purgio apartment complex in Dongsan-dong for a test run this month. It will be considered for adoption in other residential areas.

The waste disposal units grind waste in the kitchen sink and virtually liquefy it for safe flow into septic tanks, but not directly into the sewage system. At these apartments, separate pipes were attached to send the waste into water-purification tanks.

Such facilities are common in the U.S., Japan and other nations, but the Korean government is negative toward their introduction over concerns they could pollute water and block sewerage pipes.

Regulations currently allow local governments to install these units on a selective basis while most others dispose their waste based on the liter-rate system.

"The city government concluded that the system of collecting, transport and managing waste wasn't efficient enough," Choi Hong-shik, a city official, said. "If we can control the water quality - which is possible - there will be no problem. I believe that when the environment ministry authorized our pilot program, they also acknowledged this reality."

Choi said the installation is not only beneficial to the citizens who will not have to run down the stairs to get rid of food waste, but also local administrations who are pouring a fortunes into waste management.

"While the administration finances 60 percent of the waste disposal process, these units can halve the cost," Choi said. He said once the system is widely adopted in Seoul, future buildings could have such systems installed from the beginning.

Seoul city is planning to request relevant law revisions to the environment ministry no later than June this year.

However, the plan seems to be a far cry for the Environment Ministry, which officially announced a nationwide adoption of the liter-rate system for all food waste management next year. Park Eung-ryeol, the ministry official in charge of the project, said, "The ministry has approved the test run to see the effect of the disposal units.

"However, given the facts, it is hardly likely that we would allow the devices." The ministry is planning to announce relevant plans in a couple of months.

"We find taxation the most efficient and the right way to reduce individual food waste. There will be no change to this," he said

(The Korea Times) 83 Percent Back Incentive for Reserve Soldiers

More than 80 percent of people support the idea of giving additional points to men who have fulfilled their mandatory military duties when they take state-run exams to become civil servants, a poll showed Thursday.

According to the survey conducted by the Military Manpower Administration (MMA), 83 percent of respondents said they support the incentive system. The poll of 1,500 adults was conducted between November and December last year.

By sex, 87.1 percent of male respondents said they are in favor of the system, while 78.7 percent of female interviewees support it, it said. Most of them said the incentive system is necessary to "compensate" those who have fulfilled their compulsory military service.

All able-bodied men over 19 in South Korea are required to serve in the military for 24 to 27 months.

Earlier this year, the MMA unveiled a plan to submit a bill to the National Assembly to give incentives to discharged soldiers, a move to revive the controversial system that the Constitutional Court ruled against in 1999.

The court said at that time that the incentive system was too excessive and breaches the rights status of women and the disabled who are not obliged to serve in the military.

"Consensus has built that the incentive system for discharged soldiers is necessary to help prevent repeated draft dodges as well as to nurture a social environment in which those who fulfilled their military duties are respected," a military source said, asking not to be identified. Before the court's ruling, all men who served in active military duty could unconditionally get an additional three to five percent on top of their original scores.

(The Korea Times) Korea, Uzbekistan to Bolster Energy Ties

President Lee Myung-bak and his Uzbek counterpart Islam Karimov agreed Thursday to bolster energy ties and economic exchanges between Seoul and Tashkent to enhance their bilateral strategic partnership.

During their summit at Cheong Wa Dae, Lee and Karimov expressed satisfaction with the progress of joint economic projects to develop the Surgil gas reserves, and modernize Navoi Airport and other logistics infrastructure in the Central Asian country.

Lee also promised to cooperate for the development of education, medical services and renewable energy sources in Uzbekistan and to share Korea's experience of economic development, the presidential office said.

President Karimov and his wife arrived in Seoul Wednesday for a three-day state visit at the invitation of President Lee. It was his fifth visit to Korea as head of state.

On the sidelines of the summit, the two governments signed pacts to jointly explore two more oil reserves in Uzbekistan. South Korea is already the main contractor for explorations in the Namangan-Tergachi and Chust-Pap regions under an agreement reached in 2008.

Uzbekistan also agreed to set up Seoul Park in its capital city in commemoration of deepening ties with Korea.

President Lee appreciated Uzbekistan's support for Korea's bids to host the 2018 Winter Olympics and the U.N. Climate Summit in 2012. He also thanked Karimov for his country's participation in the 2012 Yeosu World Expo.

The two leaders also shared a common understanding that an early resolution of the North Korean nuclear issue is crucial for peace and stability in Northeast Asia. Karimov backed Korea's efforts to revitalize the stalled six-nation denuclearization talks, Cheong Wa Dae said.

During his stay in Seoul, the Uzbek leader will meet with Korea's political and business leaders, including Prime Minister Chung Un-chan, National Assembly speaker Kim Hyong-o, Strategy and Finance Minister Yoon Jeung-hyun and Korean Air Chairman Cho Yang-ho.

(The Korea Times) Exports of Farm Products Rise 5% in 2009

South Korea's exports of agricultural products rose slightly last year, but failed to attain the government's target, the Ministry of Strategy and Finance said Thursday.

The country posted \$4.6 billion in overall outbound shipments, up 5.1 percent from the previous year, but \$700 million short of its goal for 2009. Agricultural products accounted for 1.3 percent of Korea's overall exports.

Imports reached \$19.8 billion, taking up 6.1 percent of the entire goods and services brought into the country.

Its trade deficit in the farm and fisheries sector reached \$15.2 billion, a slight improvement from the \$20.2 billion deficit a year earlier.

Overall, competitiveness of homemade agro-fishery products has been on the rise in the global markets as their sales abroad posted growth in contrast to the 13.9 percent contraction in Korea's overall exports last year, the ministry said.

Under the influence of the global downturn, imports of farm-based products dropped 19.2 percent. However, imported foodstuffs appear to occupy a growing share here, it added.

Cigarettes were Korea's biggest "agricultural" export in 2009 at \$470 million, trailed by fisheries products at \$296 million. Kimchi exports were tallied at \$89 million, posting a \$23 million surplus in trades.

Japan was the biggest export destination with \$1.6 billion, ahead of China and the United States with \$501 million and \$442 million, respectively. The biggest imports of food-related items came from the United States, reaching \$4.4 billion.

Of all food and farm products, "makgeolli," or traditional rice wine, posted the largest steady growth overseas. Its shipment amounted to \$6.3 million, up 41.9 percent from 2008.

Exports of the alcoholic beverage have been picking up fast in the last few years. Growth was 15.7 percent in 2006, and 16 percent in 2007, before surging to 52.2 percent in 2008 with ever-growing popularity in Japan.

In the overall amount, however, makgeolli exports were far behind those of soju, another homegrown distilled drink. Soju brought in sales of \$113 million abroad last year.

This year, the ministry aims to export \$6.4 billion, up 33 percent from 2009. But imports are also likely to rise because of an expected economic turnaround and hikes in raw material prices, the ministry said.

(The Korea Times) Korea Ranks 33rd in Global Labor Productivity Ranking

South Korean workers have long been known to be diligent and hard working, making a great contribution toward the Asian nation's emergence as one of the world's leading economies. They may stay late at the office and go to work on weekends to get more done, but their hard work does not seem to translate into improved labor productivity, which lags far behind their counterparts in other major world economies.

The Korea Productivity Center said Thursday that the nation's labor productivity, or value created by per worker, reached an average of \$42,373 from 2000 through 2007, ranking 33rd among 131 countries across the globe.

Luxemburg topped the list as each worker produced goods and services worth \$89,233, followed by the United States at \$73,875 and Norway at \$73,703.

In Asia, Singapore was the most labor-productive nation, ranking ninth, with its average worker generating \$67,169 in annual value. Hong Kong came at 16th, followed by Macao (24th) and Japan (28th).

Among OECD member economies, only seven countries, including Mexico and Hungary, were behind Asia's fourth largest economy in per-capita labor output.

The center said Korea's labor productivity grew at an average rate of 5.8 percent in 1980s and then slowed to 4.5 percent in 1990s. Since 2000, the growth rate has fallen to below 4 percent.

“In the 1980s and 90s, Korea's labor productivity expanded at an explosive pace as manufacturing workers here used more machines and automated facilities to produce industrial goods in a cost-effective and efficient manner. In contrary, the lackluster labor efficiency in the services industry has been the main culprit behind Korea's poor productivity improvement,” the center said, suggesting the nation not only make the labor sector more flexible, but also lift an entry barrier to various services sectors and promote competition.

The services industry was responsible for 56.2 percent of Korea's labor productivity growth from 1993 through 1997, the center said. But the ratio fell to 46.2 percent during the 2001 to 2007 period, while the manufacturing sector contributed to 46.6 percent of the productivity improvement, up from 30.4 percent.

The 46.2-percent contribution ratio is substantially lower than the United States' 99 percent and Japan's 73.9 percent.

(KBS Global) 3-D Consortium Eyes Global Market

A Korean firm producing 3-D animated films says the 20 domestic venture companies with the top 3-D technologies in the country have formed a consortium to better advance into markets at home and abroad.

Red Rover says the 20 firms, including itself, have launched a global 3-D consortium.

Other partners include the 3-D technology and contents firms Pro Optics and Dragonfly as well as the Korea Electronics Association, KT Capital and Benex Investment.

The firms will officially launch the consortium on Wednesday.

(The Korea Times) India Places 27 Regulations on Korean Imports

India has been found to be the most stringent regulator of South Korean imports.

In a report Monday, the Korea Trade-Investment Promotion Agency (KOTRA) said South Korea was placed under 122 import regulations from 19 nations as of December.

Twenty-seven of the total, or 22 percent, were instituted by India. The second most were instituted by China with a total of 20, then the U.S. with 15, followed by Turkey and Russia.

Of the 23 regulations recently placed on Korean imports, most of them were instituted by developing nations. India accounted for eleven of them, Pakistan five and Russia three.

The only case of regulation among advanced economies was the European Union instituting an antidumping trade regulation on Korean polyester products.

A KOTRA official expected defense trade policies to continue this year and called attention to a rise in technological and environmental regulations.

(KBS Global) Lee: Future Vision Needed for Balanced Regional Development

President Lee Myung-bak says there can be no progress on the issue of regional development if evaluations and calculations are made only from a political point of view.

Lee made the statement on Tuesday at the office of the North Chungcheong provincial government in Cheongju after receiving a briefing from officials there on the region's development endeavors.

Lee said all areas of the nation must have a future-oriented, economic mindset when it comes to the issue of development. He said the regions that are successful in doing so produce strong results and ultimately contribute more to national progress.

Lee's statement comes as the political sector and the public remains divided over the government's revisions to the Sejong City development plan for South Chungcheong Province.

(KBS Global) FM: Economy to Expand 5% in 2010

Minister of Strategy and Finance Yoon Jeung-hyun says Korea will post an economic growth rate of five percent in 2010.

At an economic question-and-answer session at the National Assembly Tuesday, Yoon said the Korean economy would likely expand by rates similar to those posted prior to the global financial crisis in 2008.

He added that he believes the global economy will continue to recover gradually.

The finance minister said Korea will continue to keep a close watch on the credit crisis in Europe, the U.S. decision to step up its regulations on the financial sector and China's stabilization policies.

He also warned against ungrounded optimism and excessive pessimism in regards to the economy.

(The Korea Times) Public Sector Debts Soared in '09

The debts of the government and state-run corporations snowballed last year to around 710 trillion won. The figure is equivalent to nearly 70 percent of gross domestic production.

According to the Bank of Korea, the central and local governments and public funds, such as the National Pension Service, held a total of nearly 611 trillion won in debt as of late September last year. The figure is up 23 percent from the same month of 2008.

That is the largest growth since the central bank began compiling related statistics in 2004.

Debts held by state-run financial institutions, such as the Korea Deposit Insurance Corporation, stood at 154 trillion won.

(KBS Global) Gov't to Reduce Deficit Next Year

The government will announce next month measures aimed at reducing its budget deficit next year.

Minister of Strategy and Finance Yoon Jeung-hyun will make the announcement in an emergency economic council meeting in late March.

The ministry plans to maintain its expansive fiscal policies for this year while reducing the budget deficit to below two-point-seven percent of gross domestic production.

In order to do so, the government will downscale or end temporary economic stimulus measures in the budget plan for next year.

The government increased the budget for 35 projects by more than 100 billion won in 2009.

But it has reduced the number of big-budget projects to 20 this year with a plan to make even greater cuts next year.

(KBS Global) Household Education Spending Tops W40 Tln

South Korean households' annual spending on education has topped 40 trillion won despite the economic slump.

According to the Bank of Korea, South Korean households spent more than 40-point-five trillion won on education between the fourth quarter of 2008 and the third quarter of 2009.

The figure is up three-point-five percent from some 39-point-one trillion won in the same period of the previous 12-month stretch.

This marks the first time education spending has exceeded 40 trillion won.

South Korean households spent an annual average of two-point-four million won on education, up 50-thousand won from a year ago.

That is also double the one-point-two million won average spent per household on education in 2000.

Meanwhile, spending on alcohol and cigarettes dropped half a percent to nearly 14 trillion won from the preceding 12-month period.

(KBS Global) Govt Farm Corp. to Start Int'l Grain Company

The nation's state-run agriculture trading corporation has announced a plan to set up an international grain purchasing and distribution company as part of efforts to secure a stable food supply.

The Korea Agro-Fisheries Trade Corporation said Thursday that it will set up by next year an international grain purchasing and distribution firm in the United States and develop it into a major grain company targeting the Asian market.

To that end, the corporation plans to accumulate related management experience through equity participation in U.S. grain storage or equipment companies, or through mergers and acquisitions.

The corporation will also seek to export domestic farm products to large-scale overseas grain distributors.

(KBS Global) Hyundai, Kia Post Top Sales in Russia in January

A Russian economic daily says Hyundai Motor and its affiliate Kia Motors both posted top sales in the Russian auto market last month.

According to Kommersant Wednesday, out of all foreign automobile sales, Hyundai ranked first and Kia second in January.

In overall sales, Russia's Lada ranked first, while Hyundai came in second and Kia third.

Compared to last year, sales of Japan's Honda dropped 77 percent, while that of Toyota fell 54 percent last month.

(KBS Global) SERI: Korea Could Face Financial Crisis in 30 Years

A leading private-sector think tank is forecasting that South Korea could see its national debt hit a figure equivalent to more than 90 percent of gross domestic product (GDP) between 2040 and 2050.

The Samsung Economic Research Institute made the forecast in a report issued Thursday.

The institute said that even if the nation is able to have its budget balanced by 2013, as projected by the government, Korea could face another financial crisis in 2050 when national debt is likely to post a figure equivalent to 91 percent of GDP due to an aging society and the payment of public pensions.

The report added that if the financial deficit brought on by the current financial crisis is left as it is, the amount of accumulated debt will rise sharply to account for 92 percent of GDP in 2040, moving up the risk of a financial crisis by one decade.

The report recommended that Seoul secure sufficient amounts of foreign reserves among other measures to address global financial jitters while also drawing up policies to reduce the national debt.

(KBS Global) No. of 'Hi Seoul' Firms Hits 90

The number of firms that have been awarded the “Hi Seoul” designation has grown to 90 this year.

The Seoul Metropolitan Government only gives the designation to companies that are either highly proficient in technology or deliver superior products.

The number of firms given the “Hi Seoul” designation stood at eleven in 2004 before rising to 74 last year. Sixteen new firms were added to the list this year.

The total sales of such firms also expanded to some 450 billion won last year compared to nine-and-a-half billion won in 2004.

With the brand designation, the Seoul government aims to help firms that have promising technologies but find it difficult to nurture their own brands due to a lack of publicity or marketing capability.

(KBS Global) IMF: Exit Strategy is Possible Next Year

The International Monetary Fund (IMF) says the introduction of an exit strategy from worldwide economic stimulus packages will be possible next year, given current international economic conditions.

According to Bloomberg news agency on Wednesday, the IMF said in a recent report that the global economy is slowly gaining strength and that maintaining economic stimulus measures is necessary throughout this year.

The report will be presented to the IMF's Executive Board.

The report says that each nation is recovering at a different pace and, therefore, exit strategies should be introduced at times appropriate to each nation's economic environment.

The report warned that an exit strategy could pose troubles for governments in managing macroeconomic policies

(KBS Global) Lee Orders Review of Public Firms' Debt

President Lee Myung-bak is calling for the government's active efforts to review the financial conditions of public firms. The call comes at a time when concerns are mounting over troublesome levels of state debt in multiple nations in Europe.

Presiding over an emergency economic meeting on Thursday, Lee said the nation needs to use the recent fiscal deficit crises in European nations such as Greece and Portugal as motivation to review weaknesses in the domestic economy and at public firms.

The president said the government must also work to correct the misconception that public firms' debts should be included in reports on national debt. Lee said that keeping the two separate is an internationally recognized practice that must be understood in order to have an accurate gauge of national debt levels.

(Reuters) Korea Life says aims to raise \$2 bln in March IPO

SEOUL, Feb 11 (Reuters) - Korea Life Insurance Co Ltd, the country's No. 2 life insurer, aims to raise up to \$2 billion at a premium valuation in March, in what could be the country's biggest initial public offering in four years.

Korea Life, 67 percent owned by Hanwha Group firms, said on Thursday its IPO will offer 210 million shares at a price range of 9,000-11,000 won each. Of the 210 million shares, 80 million will come from its top shareholders, the company said in a filing to the regulatory Financial Supervisory Service, confirming an earlier Reuters story.

State-run Korea Deposit Insurance Corp (KDIC) owns the remainder of Korea Life. The size of its public offering represents 25 percent of its enlarged capital of 840 million shares and values the company at up to 9.2 trillion won.

Korea Life, run by CEO Shin Eun-chul, joins a long list of companies seeking to raise capital in Asia's red-hot IPO market, although recent weeks have seen more companies downgrade or even postpone offers as investors have become more risk-averse.

American International Group (AIG.N) picked underwriters its Asian life insurance unit's IPO, which may raise more than \$10 billion, sources said on Thursday. [ID:nTOE61A03I]

'REASONABLE PREMIUM'

The indicative price of Korea Life is equivalent to around 2.3 times its book value, compared with 1.5 times for Tong Yang Life Insurance (082640.KS) which became the first listed South Korean insurer following a 340 billion won IPO in September, according to Hyundai Securities.

"The valuation is more expensive than Tong Yang Life but the premium is reasonable because Korea Life is one of the sector leaders and demand from institutional investors will be quite strong," said David Rhee, a Hyundai Securities analyst.

A global recovery from the depths of the financial crisis and rising stock markets have lifted the outlooks for life insurers, for which investment returns are a key source of income.

But concerns about a ripple effect from Europe's debt woes and a slowdown in the economic recovery have cooled investor sentiment, even as analysts expect South Korea's IPO market to hit a record high of over 10 trillion won in 2010.

The South Korean stock market fell to a two-month low earlier this week, logging a 10 percent drop over three weeks.

Despite the uncertain market outlook, Korea Life's top shareholder Hanwha Group had brought forward the IPO timeline to March from the second quarter, as it seeks to tap the market ahead of bigger rival Samsung Life, which plans the country's biggest ever IPO worth some \$4 billion sometime in the first half. [ID:nTOE60H04B]

"Considering its scarcity value as a listed life insurer, institutional investors will take some of the IPO shares," said a senior fund manager at an asset management house in Seoul, asking not to be named because he was not authorised to speak to media.

"But they will not aggressively jump into the stock," he added, pointing to the renewed worries about the global economy.

National Pension Service, a big institutional investor with \$240 billion in assets, said on Thursday it was considering revising its policy to lift a ban on IPO subscription and add life insurers.

Korea Life's share sale for a March 17 listing will be the biggest IPO in the South Korean bourse since Lotte Shopping's (023530.KS) 3.4 trillion won float in early 2006.

Proceeds from Korea Life's IPO would help the insurer shore up its capital base and potentially help the parent group go in for M&A.

Unlisted Hanwha Engineering & Construction controls 31.5 percent of Korea Life, followed by Hanwha Corp (000880.KS) with 28.2 percent.

Credit Suisse (CSGN.VX), JPMorgan (JPM.N), Deutsche Bank (DBKGn.DE), Daewoo Securities (006800.KS) and two other domestic brokerages are handling the IPO. (\$1=1155.8 Won) (Editing by Jonathan Hopfner and Muralikumar Anantharaman)

(Reuters) S. Korea BOK chief plays down Europe woes impact

SEOUL, Feb 11 (Reuters) - The head of South Korea's central bank on Thursday played down the impact of sovereign debt problems in European countries on the domestic economy and said local inflation pressures could build later this year.

Bank of Korea Governor Lee Seong-tae told reporters Asia's fourth-largest economy would grow along the lines forecast earlier this year and that the central bank was aware of the side effects of interest rates staying low for a long time. (Reporting by Seo Eun-kyung; Writing by Yoo Choonsik; Editing by Jonathan Hopfner)

(Reuters) Seoul shares up on banks, autos; BOK comments help

SEOUL, Feb 11 (Reuters) - Seoul shares rose 1.8 percent on Thursday, posting their biggest percentage gain in over 10 weeks led by financials and autos and helped by the Bank of Korea governor's comments pointing to a steady rate stance.

The Korea Composite Stock Price Index (KOSPI) ended up 1.76 percent to 1,597.81 points.

"Mood is improving amid hopes that European nations will reach an agreement to help Greece during the EU summit scheduled to take place tonight," said Chung Seung-jae, a market analyst at Mirae Asset Securities.

French daily Le Monde reported that France and Germany were set to present a plan at a European Union summit on Thursday aimed at preventing Greece from going bankrupt. [ID:nLDE6192QE]

Sentiment was also helped by South Korea's central bank signalling interest rates would stay at a record low for much of the first half.[ID:nTOE61A00S]

"But we still have to see whether the stance changes when the new governor comes in after April," Chung said.

Financials fueled gains amid strengthening views a rate hike was unlikely in the near future, analysts said.

KB Financial Group (105560.KS) climbed 4.4 percent despite posting weak fourth quarter results late Wednesday as investors bet on stronger 2010 earnings.

"While the earnings came weaker than the market consensus, KB's broader outlook this year is good," said Ku Yong-uk, an analyst at Daewoo Securities.

Shares in Hynix Semiconductor (000660.KS) fell 3.3 percent after news of merger between Micron Technology Inc (MU.O) and Numonyx Holdings B.V. [ID:nN09123373]

"After news of the merger competition worries emerged," said Ricky Seo, an analyst at KB Investment & Securities.

Seo said overhang fears were also continuing to weigh on the stock with no news of an interested buyer for a stake in Hynix and the possibility of a block sale of Hynix shares looming.

Hyundai Motor (005380.KS), South Korea's top automaker, gained 1.75 percent amid Japanese rival Toyota's (7203.T) ongoing recall crisis.

Shares in Kia Motors (000270.KS), South Korea's No.2 automaker, rose 1.69 percent.

(KBS Global) Fiscal Deficit-GDP Ratio Posts 11-Year High

The ratio of the nation's fiscal deficit to gross domestic product (GDP) reached an eleven-year high last year.

The Ministry of Strategy and Finance said Thursday that the operating budget balance posted a deficit of 51 trillion won last year, with the fiscal deficit ratio versus GDP reaching five percent.

That's the highest since 1998 when the ratio came to five-point-one percent.

The operating budget balance excludes pension funds and other funds related to social programs.

(KBS Global) Govt to Provide W14 Bln in Aid to Uzbekistan

The government says it will provide 14 billion won, or 12 million U.S. dollars, worth of unconditional aid to Uzbekistan this year.

Foreign Minister Yu Myung-hwan met with Uzbekistan's Vice-Prime Minister Elyor Ganiev in Seoul on Wednesday and signed cooperation agreements in four areas, including infectious disease control and water supply projects, for the Central Asian nation.

Seoul will also invite 100 Uzbek trainees to Korea and will send 60 Korean volunteers to Tashkent.

A government official says the four projects and the training program will cost Korea some 14 billion won in total this year.

(The Korea Times) Korea Benefits Less From Korean Wave Than Japan

Korea's cultural content providers rely on a single income source as they make money by exporting only cultural products, such as dramas and animation.

But their Japanese counterparts earn more profits through multiple income sources, a report released Friday said.

The National Assembly Research Service said Japanese content providers made the most of "cultural derivatives" of the Korean wave such as characters, games, videos and music, explaining how the Japanese became more business-savvy.

KBS earned 30 billion won in revenue by selling soap opera "Winter Sonata" (2002) to Japan. Yet, on the island nation, importers and distributors made 1.2 trillion won with the hit drama.

The drama was a phenomenal success in Japan, spurring the export of several Korean dramas afterwards.

In the current issue paper, the parliamentary think tank said Japan's strong marketing infrastructure for cultural products explains how they came to benefit more from the Korean wave known as "hallyu."

"For example, after Pocket Monsters became a hit game, Japanese content providers produced a variety of cultural derivatives such as comics, posters and toys," the paper said.

The think tank said those derivatives were thoroughly planned from the very beginning of the production of the game. However, Korea's relatively poor marketing infrastructure makes it difficult for made-in-Korea content products to go global.

According to the report, Korea's animation industry stands at a crossroads.

Korean animation businesses had long lasted under contract manufacturing, dubbed original equipment manufacturing (OEM).

Under the contract, local manufacturers produced products that were purchased by global leaders in animation and sold under the brand of those who purchased them.

In the 1990s, leading global animation businesses switched their original equipment manufacturers from Korean companies to businesses in other nations in search of a cheaper workforce and lower production costs.

The shift dealt a blow to local animation businesses.

"The industry is also struggling because of other factors such as creativity that still fall far short of global levels," the paper said.

"Compared with other content products, it takes longer for animation products to be released.

Producers have difficulty attracting investment partly because of such risks."

According to the Global Entertainment and Media Outlook (2008 to 2012), Korea ranked 9th in the overall ranking of global content business, accounting for 2.45 percent of the global market.

The United States is unrivaled, taking up 36.7 percent of the world market, followed by Japan with 7.93 percent and Britain with 7.43 percent.

Industry experts said the nation's standing in global content business is one of the core standards determining the national competitiveness.

Cultural power also has something to do with national branding as hit cultural products not only draw a global audience but also disseminate culture to other countries.

"In particular, the influence of animation is greater than that of other products because young children are the major audience and people's exposure to made-in-Korea animation at early ages affect their future content choices," said the paper.

The think tank called for establishing funds for the promotion of content business.

"Policymakers can consider levying taxes on those who purchase content products to raise funds for the animation and content business," the paper said.

(The Korea Times) Telecom Wars Go Plastic

KT Moves to Match SK Telecom's Credit Card Aspirations

Koreans will soon be able to leave their wallets at home, with telecommunications operators and credit card companies teaming up to offer new ways of paying for goods using mobile devices.

KT, the country's biggest telephone company and No. 2 wireless carrier, confirmed its interest in acquiring BC Card Friday, matching a move by its industry rival, SK Telecom, which is collaborating with the Hana Financial Group for an entry into the credit card business.

BC Card, established in 1982 on a joint investment by local banks, currently manages the credit cards issued by its 11 member banks. The 11 institutions combine for less than 40 percent of the credit card market in revenue.

KT said it had recently inked a memorandum of understanding (MOU) with Shinhan Card to purchase its 14.9 percent stake in BC Card. Should the deal go through, KT will become the

third-largest shareholder in BC Card, following Woori Bank, which has a 27.7 percent share, and Vogo Fund, a buyout entity that holds a 24.6 percent stake.

BC Card is considered an ideal acquisition target for KT, as its member banks combine for about 39 million credit card customers and a massive sales network consisting of around 2.5 million shops.

“It would be premature to talk about when we will be able to provide credit card services or what business models we will pursue should we be able to acquire BC Card. We will first have to see whether we can agree with Shinhan Card over a price for their stake,” said a KT spokesman.

Emergence of Mobile Wallet

In technology-obsessed Korea, the mobile phone is already the digital version of the Swiss army knife, masquerading as handheld televisions and computers to complement its traditional role for voice communications. The trend of alliance between wireless operators and credit card companies indicates that these multifunctional handsets will soon be picking up a new trick in plastic payment.

KT and SK Telecom, who combine for around 80 percent of the country's mobile telephony users, are both hoping that their massive subscriber pools will allow them to hit the gold trail in credit card services. The more tech-savvy mobile users are already using their micro-chip embedded handsets to wire money to banks or pay for public transportation, and adding credit card functions is expected to be the last and most important piece of the mobile wallet puzzle.

The interest seems to be mutual between telecommunications operators and financial service firms. Shinhan Card, which is also the country's biggest credit card issuer, had said earlier that it could consider providing some form of mobile service as a mobile virtual network operator (MVNO).

MVNOs buy traffic, or wholesale minutes, text and data, from network operators like KT and SK Telecom and resell it to their customers under their own brand.

Should it acquire Shinhan Card's stake, KT will likely find itself competing for shares with the Vogo Fund, which appears to be attempting to take a commanding hold in BC Card.

“The convergence between telecommunications and financial services is somewhat of a natural evolution that will have a widespread influence across industries,” said Hong Jin-ho, an analyst from IBK Securities.

“By collaborating with credit card companies, the wireless operators will be able to develop a more sophisticated form of credit card services than the traditional plastic business, such as providing users with real-time shopping and service information through mobile devices.”

SK Telecom, the country's biggest mobile telephony operator with a 50 percent-plus market share, recently inked a deal worth around 400 billion won (about \$346 million) with the Hana Financial Group to acquire a 49 percent stake in Hana Card.

Hana Card has been struggling to stay relevant in the credit card market, where it commands a share of less than 7.4 percent, but tapping into SK Telecom's 24 million customers and massive sales network may allow it to pack a larger punch.

(The Korea Times) Shinhan, Woori Rise Amid Global Crisis

In Chinese, "crisis" is composed of two letters, which mean "danger" and "chance," respectively. Here, one financial group has suffered after the global crisis, while other groups have risen by changing the crisis into opportunities.

KB Financial Group, which has dominated the local banking industry, yielded two thrones to its rivals — Shinhan Financial Group and Woori Financial Group. Shinhan stole KB's crown in net profit, while Woori is now on top in terms of total assets.

KB posted a net profit of 539.8 billion won in 2009, down 71.2 percent from the previous year, the group said Wednesday.

The fall came as the group experienced a double burden of rising credit costs and falling profitability as a result of piling up reserves for loan losses.

Shinhan marked 1.3 trillion won in net profit for 2009, more than doubling KB, thanks to balanced business portfolios between banking and non-banking sectors.

It was down 35.3 percent from the previous year but had the biggest net income among local financial groups.

Woori Financial Group said that its total assets stood at 317.9 trillion won as of the end of December, down 10.5 percent from the previous quarter. However, it grabbed top place in total assets edging KB by 1.9 trillion won.

Woori also swung to profit in the fourth quarter last year. The group said that it recorded a net income of 1.03 trillion won in 2009, up 126 percent from a year ago. Revenue plunged 78.9 percent on-year to 8.26 trillion won while operating profit came to 190.5 billion won.

Net profit stood at 156.8 billion won in the October-December period, a turnaround from a loss of 664.8 billion won a year earlier. But compared with three months earlier, net income declined 67.6 percent, hit by its exposure to the ailing Kumho Asiana Group.

However, some analysts said that KB will rebound as the group got rid of risks reserving more loan-loss provisions.

"KB will get attention this year because it already reduced risks with conservative loan-loss provisions," an analyst at Daewoo Securities said.

Meanwhile, the state-run Industrial Bank of Korea overtook Hana Bank in total assets, rising to number 4. IBK's total assets reached 156.6 trillion won in December, compared to Hana's 152 trillion won.

(The Korea Times) Global Economy Sees Realism Replacing Pessimism

By Gerard Lyons

Chief Economist at Standard Chartered Bank

The mood at Davos last year was pessimistic. This year, it was realistic. It will have to wait until next year to become optimistic.

This year's annual gathering of the great and the good at the World Economic Forum's annual event in Davos was themed, "Rethink, Redesign, Rebuild." There certainly was much rethinking and redesigning; now this needs to be followed through in the rebuilding. Sustainable recoveries certainly need sound foundations. This is particularly so with respect to the financial sector.

The realism seen at Davos was reflected in most views expressed about the world economy. In particular there was caution about the near-term and about challenges facing the advanced economies. There was also realism about addressing some of the current issues, particularly those related to the banking and financial sector.

Debate about the banking sector formed only part of Davos 2010, but it was a significant part, and was enough to steal most of the headlines. The announcement of the Volcker Plan by President Obama on the eve of this year's Davos meant the banks were even more of a hot topic than they were already likely to be.

The Volcker Plan effectively invokes the spirit of the Glass-Steagall Act that previously existed to separate commercial and investment banking. Although not aimed at reintroducing that Act the aim is to avoid a situation where taxpayers take the downside risk, whilst financial firms get the upside.

The present debate on banks appears to be following two strands. One is led by the "technocrats" or regulators, with much input from the bankers themselves. And the second is driven by politicians in response to the public mood.

There was some attempt at Davos to reconcile differences. One common theme in both debates is the desire to address systemic risk, and thus improve the workings of the financial system. Although there are many areas of overlap, the focus of both debates continues to be different, and this was evident to some extent in Davos.

The public debate has been heavily driven in recent months by a focus on compensation and the structure of banks, particularly the issue of size and "too big to fail." Both issues are important, there is no doubt about that.

Yet, the technocratic debate focuses on factors that are probably of more importance in the long run: capital and liquidity. Banks need to be well capitalised and liquid. Those that did well in the crisis were.

There is a need for risk-adjusted capital ratios that apply over the course of an economic cycle aimed at ensuring conservatism on behalf of banks as well as a buffer to cope with shocks. Trouble is, a lot is being asked of capital. More and better quality capital may thus be seen as a necessary, but not sufficient, condition to improve the future foundations of banking.

Liquidity, too, is seen as a key issue, and rightly so. But even here there are still issues, including what can be defined as liquid assets and how to reconcile the management of liquidity centrally and locally within institutions.

The announcement of the Volcker Plan also seemed to go against the desire for a common, G20 approach. Whilst there is no doubt that countries need to be able to refine proposals to suit local circumstances — economic and political — some common international ground rules are needed, and indeed are being sought.

This is vital in the area of cross-border resolution frameworks, regulation and — an area stressed many times in Davos — international accounting standards. The financial crisis highlighted a systemic failure in the system. This needs fixing. Yet, it is often overlooked that much within the financial system did not break, even in the City of London where damage was high.

Furthermore there are probably many lessons from countries whose financial sectors appeared more intact, with Australia, Canada and even Israel and Turkey cited in this respect at Davos. One common theme — apart from conservatism — was effective supervision. Also, other economies including China, India and Hong Kong benefited from effective policy measures, such as reserve requirements or, in the case of Hong Kong, loan-to-value ratios on mortgage lending.

This is an important lesson. If the aim is both economic and financial stability — which it should be — then two policy objectives require two types of policy tools.

Monetary and fiscal policy should be directed to economic stability of ensuring growth and avoiding deflation in the West or inflation in the East. In turn, macro-prudential measures should be aimed at preventing asset bubbles.

For emerging economies managing capital inflows or asset bubbles in this recovery will be a big challenge. Whilst the challenges facing emerging economies did not figure as a big concern at Davos, for some, myself included, many emerging markets do face a big challenge this coming year, particularly in terms of how they handle such capital inflows.

At Davos, it was clear that progress was being made in terms of the financial sector. The biggest problem though is the debate is often bogged down by complex issues and the desire for global agreement. So a sense of urgency appears missing. This has given politicians the green light to push ahead with populist measures.

Socio-Cultural Façade;

Detailed news:

(KBS Global) Artificial Floating Island Launches in Han River

The second of three artificial floating islands named "Viva" has been set on the Han River in Seoul.

The Seoul Hangang Project Headquarters set the artificial island afloat near Dongjak Bridge Saturday after two days of preparation.

Viva is approximately 32-hundred square meters wide and weighs 25-hundred tons. The plan is to use it also as a three-story multi-purpose hall.

The first artificial island Vista will be launched next month and the third Terra in April.

Construction of the three floating islands began in 2007 under a plan to establish multi-purpose cultural facilities by the river. Full service will begin on the three from August.

(The Star Online) South Korea to send 240 troops to Haiti to rebuild

SEOUL, South Korea (AP): South Korea's parliament has approved a plan to send 240 troops to Haiti to help rebuild the Caribbean nation hit by a devastating earthquake.

The Foreign Ministry said Tuesday the South Korean troops, mostly engineers, will provide humanitarian assistance to and rebuild areas in Leogane, just west of the capital, Port-au-Prince.

Haiti's catastrophic earthquake last month killed an estimated 200,000 people and left as many as 3 million in need of food, shelter and medicine.

The parliamentary approval came some 20 days after the United Nations Security Council adopted a resolution to increase the U.N.'s Haitian mission by 2,000 troops and 1,500 police officers.

The ministry said the South Korean troops will be deployed later this month.

(The Straits Times) N. Korea food crisis to worsen

SEOUL - North Korea's severe food shortages are expected to worsen this year after a poor grain harvest in 2009, South Korean officials said on Wednesday.

The unification ministry, which handles cross-border relations, said the communist state produced an estimated 4.11 million tons of grain last year, a five percent drop from 4.3 million tons in 2008.

Annual demand is 5.4 million tons, according to the state-run Korea Rural Economic Institute (KREI) in Seoul. The estimated shortfall of 1.29 million tons is equivalent to almost four months' food supply this year, senior KREI analyst Kwon Tae Jin told AFP.

Mr Kwon, who helped analyse the grain production data, said the poor harvest was due to bad weather and a lack of fertiliser in the nation of 24 million people.

The South has since 2008 suspended annual shipments of fertiliser and food to the North amid rising tensions over Pyongyang's nuclear programme and other political issues. The conservative Seoul government linked major aid to progress in the North's nuclear disarmament, a stance which angered the regime in Pyongyang.

The North has relied on outside aid to help feed its people since a famine in the 1990s killed hundreds of thousands. The UN's World Food Programme estimated last September that a third of women and young children are malnourished. – AFP

(The Korea Times) Korean Dramas Captivate Young People in Nepal

KATHMANDU — Korean soap operas and dramas are in high demand in Nepal, as they are loaded with love, tragedy and family troubles and touching acting, scripts and plots.

In a country widely dominated by Western and Indian lifestyles, Korean soap operas, dramas, fashion and film are becoming increasingly popular.

Lilisa Shrestha, a student at Shepherd College of Media and Technology, has been adding an extra dimension in her life; Korean drama. She picks up DVDs of Korean dramas and has started to act in the manner depicted on the shows.

"I am hanging out with Korean drama," Shrestha says.

Her affection for Korean dramas was not of her choice. She used to be a regular viewer of Korean films. After watching the drama "My Girl" she started to love Korean dramas and now they have become the part of her life.

"I can't keep track of time while watching Korean dramas," Shrestha said. "I do not take my eyes from the TV until they finish."

The lover of romantic comedies, Shrestha recently watched the successful Korean drama "You Are My Beautiful".

She has amassed a large collection of Korean dramas including "My Fair Lady", "Partner," and "Triple." And she is planning to buy more in the near future.

She is not only the young person here who is fond of Korean dramas. A small market in Maha Bouddha now has more than 60 CD vendors where one can easily buy the latest Korean films, soap operas and dramas.

An owner of one of these shops, Sunil Shakya, has witnessed a huge flood of buyers of Korean dramas and films. The owner claimed that the craze for dramas has been steadily increasing of late, beating sales of Korean films.

"For the past several weeks, due to a lack of good and successful Korean films, there has been more demand for Korean dramas," he said.

According to Sunil, most of the buyers of Korean films are students.

He himself is now a diehard fan of Korean drama. "Films end within a few hours but a drama runs for 16 to 17 hours. One can get a lot of entertainment from them," says Sunil.

Two young women, Pramila Rai and Anjima Rai, both lovers of Korean dramas, who were at the vendor to buy the latest shows, said that sometimes they stay awake the entire night while watching dramas.

"It is hard to stop watching a drama once it begins," the pair said.

Pramila wanted to reduce her habit of watching the shows but could not.

Another owner, Rajesh Shrestha, said that Nepal is a lucrative market of English, Hindi, Thai, and Chinese dramas.

Most of these shows are imported from China, India, and Bangkok. But it is easy to find Korean dramas on the Internet. Traders can easily download them from the Internet and sell them. Once a Korean TV channel posts the telecast of a drama, one can easily obtain it on the Internet for free.

"It takes a long time for original DVDs to hit the market here from Korea. In addition, it is expensive," he said.

"We get the original content from the Internet," said another trader. A lot of people and firms are engaged in the act of downloading the content to supply the market. The price is comparatively cheap compared to the price of original DVDs, costing around one-fourth the price of the originals.

In Kathmandu, the interest began with "Winter Sonata." Other Korean dramas popular among young people are "Boys Over Flower," "Full House," "Coffee Prince," "My Girl," "Autumn In My Heart," and "You Are Beautiful."

Why are young people and teenagers so interested in Korean dramas?

"Most of the women who seek Korean dramas are looking for a handsome hero. Male teenagers often ask for DVDs with beautiful actresses," said Rajesh. "I am also fond of beautiful Korean actresses," the smiling Rajesh said.

According to Lilisa, dramas with handsome actors add more beauty to the shows.

"The dramas are helpful in understanding Korean culture and lifestyle," she says.

Korean dramas are also popular because they don't have frequent use of insulting language and rarely run for too long. But mainly people love them because they deal with love, tragedy and family problems in a vivid and lively manner, the traders and watchers agreed.

(The Korea Times) 'Immigrants' Kids Need Protection'

The state human rights agency urged the justice ministry Monday to amend immigration rules and upgrade detention facilities to better protect the human rights of children who are being detained along with their parents who overstayed their visas.

The National Human Rights Commission (NHRC) demanded the ministry set concrete guidelines to minimize the period of time during which such children are detained, increase the use of immediate deportation instead of detention and build independent facilities for children if their detention is unavoidable.

"Currently, children of those caught for overstaying their visas are detained for days ahead of deportation at a facility with no programs or equipment for their welfare, posing a threat to their physical and mental growth," the commission said in a statement.

It added that the current system apparently violates the Convention on the Rights of the Child, which stipulates the detention of children should not be allowed except in certain cases.

This advice came after a petition, which a man lodged last year with the state human rights agency in Mongolia, was forwarded to the Korean human rights watchdog in June last year.

According to the NHRC, the Mongolian man and his family members, including a three-month-old child were detained for a couple of days at an immigration office in Incheon before being deported to his home country.

"Their undocumented status was revealed when police were responding to a car accident involving the man," said Moon Eun-hyun, a NHRC official.

In the petition, the Mongolian complained that the immigration office had his baby exposed to unsanitary conditions by forcing the child to use a cell with other undocumented foreigners, whose health status hadn't been confirmed.

The petitioner also said the facility where the baby was held was dirty and unsanitary.

But the Korea Immigration Service refuted his allegations, emphasizing that it was his wife's decision to be detained with her baby.

It also said all immigration offices already have independent rooms for children aged three or under to stay with their mother.

"Initially, the immigration office planned to detain only the man. But his wife wanted to be with him so we allowed her and the baby to stay with him," Ahn Gyu-seok, spokesman for the immigration authorities, told The Korea Times.

NHRC research found a total of 48 undocumented children were detained between 2007 and 2009.

(The Korea Times) Illegal English Tutors May Face Taxation

This is the last in a series of articles on illegal private tutoring.

An immigration officer indicated that the government may consider revising the current regulations to allow foreigners to tutor legally for money.

"We understand that the efficacy of the law banning private tutoring for foreigners is questionable as we don't have sufficient manpower to root out the illegality.

"However, this doesn't mean foreigners are allowed to breach the regulations," Kim Jeong-do, an immigration officer told The Korea Times.

He added that foreigners are informed that they are only permitted to work at the workplaces designated by their visas, so not being aware of the illegality of private tutoring should not be an excuse.

"In Japan, they don't restrict the workplaces of foreign nationals. If calls demanding that the restrictions should be lifted grow, we may consider it, but we don't have any immediate plans to do so now," he said.

The Korea Immigration Service has maintained that foreigners should not engage in any other activities beyond those their visa status permits.

Currently, foreigners violating the Immigration Law are subject to deportation. However, education and tax authorities see that legalizing private tutoring by foreigners could be a solution to the problem.

The Ministry of Education, Science and Technology, which deals with foreigners holding F-series visas, are authorized to arrest illegal tutors but the heaviest punishment is a fine.

Kim Chul-woon, director of the Private Institute Monitoring Team at the ministry, said, "It is hard to control the mushrooming illegal private tutoring, so it would be better for immigration offices to allow foreigners to tutor privately and impose taxes on that income."

The National Tax Service also supports the idea of opening the tutoring market to foreigners and making them pay taxes on the money they make.

"We have tried to root out SAT tutors who charged high fees to parents. But, it's hard to uncover illegal private tutoring as the parents and tutors are closely connected," said Oh Sang-hoon, a tax official.

According to some parents and students in Gangnam, southern Seoul, many foreigners there earn 50,000 to 70,000 won per hour for private English tutoring sessions.

(The Korea Times) Gender Equality Improving in Seoul

Gender equality appears to be making headway in Seoul, with relevant indexes showing a steady increase in women's status and opportunities within society, according to a recent survey.

According to the Seoul Foundation of Women and Family, the overall gender equality index for women marked 46.42 in 2008, a slight rise from 45.47 in 2007. Seoul is the capital so this index doesn't necessarily reflect an overall trend in the country.

This means that for every 100 opportunities for men, women get 46.42.

The 19 surveyed categories include the employment rate of elderly people over 60 years old, the national pension fund's subscription rate, and the ratio of female employees in the public sector.

While the index showed a slight but steady rise in other sectors, the employment rate of females in government sharply fell, from 20 percent to 11.3 percent in one year.

"The city government has been focusing on providing cultural infrastructure and other softer policies, but what it really needs to focus on is giving real job opportunities to women," Kim Chang-yeon, a researcher at the foundation, said.

(The Korea Times) Police Preparing for Terrorists Ahead of G-20

Police have set up five squads in a special task force to deal with crimes committed by foreigners, potentially including terrorists ahead of the G-20 summit scheduled for November in Seoul.

Seoul Metropolitan Police Agency said they had been short on manpower to efficiently deal with international crimes during the G-20 summit, and crimes committed by foreign residents here.

The international event will invite leaders from the world's 20 major economies to discuss various economic and financial issues.

The five teams will cover northwestern Seoul including Yongsan and Itaewon; the northeast; the south; the southeast including Gangnam; and the southwest.

They will have a total of 109 policemen, up from 31 and will deal with foreign gangsters and illegal trafficking of drugs and weapons.

Meanwhile, 150 cases of narcotic smuggling amounting to 42 kilograms were discovered last year, according to the Korea Customs Service.

The amount is similar to that of the previous year when 42.4 kilograms were confiscated. By nation, South Africa was the largest drug originator with 23 kilograms, followed by China with 8 kilograms.

More than 80 percent or 34 kilograms were brought in by airplane passengers, with 4.7 kilograms sent via international mail and 2 kilograms of drugs attempted to be brought in by boat, the customs agency said.

Korea is by and large free from major terror attacks but some experts believe that the G-20 summit can invite anti-globalization members to Seoul, if not terrorists. Considering Korea's planned troop dispatch to Afghanistan, it may draw in some Islamic terrorists.

As for weapons, news reports say Korea is vulnerable to terrorists concealing plastic and ceramic knives, because they are not detected by immigration authorities.

However, they have blades over 18 centimeters and can inflict fatal injuries. They can penetrate multilayered plywood and easily puncture a can as seen in footage posted on You Tube.

According to police, about 10 types of U.S.-made concealed weapons are being traded over the Internet.

(The Korea Times) Court Falls a Step Shy on Child Rape Guidelines

A committee of judges set up by the Supreme Court disclosed guidelines on child molesters Monday that could put them behind bars for life, reflecting nationwide antipathy toward such criminals.

Currently, a life sentence is given to those who have committed "serious" crimes such as murder, treason and staging a coup.

According to the guidelines, the influence of alcohol will be excluded as a factor for leniency, and repeat offenders will face additional punishment with a life sentence being a distinct possibility.

Molestation of children aged 13 years or younger as well as crimes occurring near schools, apartment staircases and elevators will be subject to harsher punishment, the judges also decided.

Considering that more than 85 percent of judges have agreed upon the new guidelines, harsher sentences are highly likely to be handed down to those who commit such crimes.

"Since child molestation, harassment, rape and other threatening actions could influence the victim's life for good, the court decided on stricter sentencing," an insider was quoted as saying.

The moves come after the Supreme Court drew criticism last year for sentencing 57-year-old Cho Doo-soon to 12 years in prison. Cho was convicted of repeated child rape with one of his victims — a nine-year-old girl — suffering extreme physical and psychological aftereffects.

From the public's viewpoint, the highest court was lenient with Cho, citing his state of inebriation when he committed the crime.

Bipartisan efforts were made in the National Assembly to force the court to become stricter with child molesters, but the committee's guidelines fall short of what legislators were considering.

Last December, the governing Grand National Party suggested that the court sentence repeat offenders to up to 50 years in jail, while also allowing the possibility of chemical castration.

Assemblymen also proposed that the statute of limitations on sex crimes should be scrapped, and that released offenders must wear electronic anklet tags for more than 30 years.

"The court should be able to persuade people with their rulings and regain their respect," Rep. Lee Choon-suak of the main opposition Democratic Party said during a National Assembly inspection last year.

(The Korea Times) Visa Problems Big Headache for Foreigners

What troubles foreigners living in Korea the most are visa-related problems, the Anti-Corruption and Civil Rights Commission (ACRC) said Tuesday.

They also complain about difficulties in dealing with labor issues such as overdue wages and unfair dismissals, the commission said about findings from its research.

The commission has handled civil complaints and advised legal solutions through its online petition center, www.epeople.go.kr, since its inauguration in 2008.

In a bid to help foreigners easily gain support from the site, the commission also began to take civil petitions and provide tips in three foreign languages — English, Chinese and Japanese — from last June.

It also started to provide the service in Vietnamese last December as an increasing number of people from the Southeast Asian country come to Korea.

"The commission received a total of 627 civil complaints from foreigners until last December and of them, 339, or 54.1 percent, were related to visas and passports," an ACRC official said, requesting anonymity.

Foreigners and Koreans with other nationalities have problems when they try to extend their stays here, switch their visa status or get a passport re-issued, he added.

Of the complaints, 98 cases are about overdue wages, unfair dismissals and poor working environments, he said.

Other difficulties foreigners face include criminal cases, education, welfare systems and banking.

About 550 of the civil complaints are registered in English and 20 cases are posted in Japanese, the official said.

Meanwhile, the ACRC plans to provide the petition service in more foreign languages on its online petition center after reviewing demographics of foreigners who settle down in the country, he said.

In addition to the online petition center, the commission also takes civil complaints via its call center (110).

(The Korea Times) Dead Man Revived After 18 Minutes

A man has survived against the odds after a heart attack which caused his heart to stop beating for 18 minutes, according to BBC.

Doctors say people can normally survive for up to four minutes after they stop breathing. They are likely to die or suffer serious brain damage after that.

His wife Dianna said: "It's a miracle."

He was allowed home Sunday but his short-term memory has been affected by the ordeal.

Father-of-two Mr. Waggett had gone to bed with flu-like symptoms when his wife heard him struggling for breath through a baby monitor on the upstairs landing. But by the time she reached him, he was taking his last breaths. "I said my goodbyes and told him I loved him and then watched as he died in my arms," she said.

Paramedics used a defibrillator to shock his heart six times without success and decided to try him one last time. It was then — 18 minutes after he stopped breathing — that Waggett gasped for air.

Doctors warned Waggett that even if he pulled through, her husband was likely to have suffered serious brain damage if he survived the next 48 hours.

He came around three days later but because his brain had been starved of oxygen he didn't recognize Dianna who was keeping a bedside vigil.

But the next day he woke up and asked nurses: "Why is my wife sleeping on the floor?" Waggett, a team manager with Caerphilly council, gradually began to piece together his long-term memories and three days later was well enough to see his children.

(The Korea Times) 3.0 Magnitude Quake Rattles Seoul

A magnitude 3.0 earthquake occurred with its epicenter located just outside western Seoul, Tuesday evening. Some citizens, apparently alarmed by a recent major tremor that hit Haiti, called fire stations and media outlets for confirmation of the temblor, although no injuries or serious property damage were reported.

According to the Korea Meteorological Administration (KMA), the earthquake occurred at 6:08 p.m. in an area about 8 kilometers north of Siheung, a satellite town in Gyeonggi Province on the outskirts of the capital.

“The tremor continued for two or three seconds,” the administration said in a briefing. Residents especially in western Seoul reported that the quake was strong enough for them to feel the buildings they were in shaking.

The tremor was felt as far away as Yongin, Suwon and Goyang.

It was the strongest tremor out of three recorded in the bustling capital city of 12 million since 1987, when the administration began to monitor earthquakes in Korea. The other two occurred on Sept. 15, 2004 and June 14, 1990, but again they caused no damage.

A 31-year-old man, who was working at an Internet start-up in Siheung, about 40 km southwest of Seoul, told The Korea Times, “I was startled, when the windows of the building I was in were trembling and I also heard some noise.”

The quake was the seventh to hit the Korean peninsula this year alone, the KMA added.

(The Korea Herald) No new high schools in 2014

The Seoul education office has decided not to permit the establishment of new high schools in 2014 for the first time in 13 years, due to a declining number of students.

The Seoul Metropolitan Office of Education plans to allow for 10 new high schools by 2013.

"Given the decline in the number of students, which stems from the dwindling birthrate, we have concluded that there would be no need to build additional schools (in 2014)," said an official at the education office.

An average of three new high schools has been opened each year since 2001. Currently, there are a total of 308 high schools in Seoul.

According to data from the education office, there are 359,000 high-school students this year and the number is expected to shrink to 318,000 in 2014.

About 119,000 students will enter high schools this year and the figure is expected to drop to about 103,000 in 2014.

The education office plans to meet the demand for new schools, particularly in the capital's redevelopment areas, by realigning or relocating the existing private high schools instead of establishing new ones.

The Education Ministry is considering establishing a special law to facilitate realignment and relocation, which have been shunned by most private schools as local ordinances restrict the use of designated school land.

Due to the restriction, firms and individuals have been reluctant to purchase school land, which hampers private schools' realignment and relocation attempts.

The decline in high-school students is expected to worsen in the future as the number of elementary school students has steadily decreased.

As of April last year, the number of elementary-school students in Korea was 3,474,395, which is 197,812 less than the previous year, according to ministry data. It is the lowest figure since the statistics were first recorded in 1962.

The nation's birthrate dropped to 1.19 in 2008, the lowest in the OECD.

(KBS Global) Busan Orphanage Band to Perform at Carnegie Hall

An orchestra from an orphanage in Busan will perform at Carnegie Hall in New York on Thursday, Eastern Standard Time.

The Carnegie Hall performance was arranged by world-renowned Korean conductor Chung Myung-whun and his organization, the Miracle of Music.

The Boy's Home orphanage orchestra started out as an ensemble for accompaniment at Masses in 1979. The orphanage is run by the Catholic group Sisters of Mary.

Chung visited the orphanage in 2005 and was impressed by the boys' musical talent, after which he had his third son help train the orchestra.

(Reuters) The Tomato, figure-skating queen, top Forbes list

CHICAGO (Reuters) - An athlete nicknamed after a tomato because of his flaming red hair and a regal South Korean figure skater head the Forbes list of top earning Winter Olympic athletes.

Sports

Shaun White, the top U.S. snowboarder, and South Korean figure skater Kim Yu-na both earned \$8 million last year, leading all athletes for the Winter games, according to Forbes magazine. The list excluded all salaried professional athletes, including players from the National Hockey League.

White, known to many as "The Flying Tomato" because of his long red hair, is a favorite to repeat as a gold medalist at the Winter Games in Vancouver this month. Among his sponsors are such companies as Target Corp, Red Bull, Oakley and AT&T Inc.

Kim, the reigning world champion and known as "Queen Yu-na," is South Korea's hope for its first figure skating gold medal. The 19-year-old's sponsors include Hyundai Motor Co, Procter &

Gamble Co and Nike Inc. Forbes previously named her the most powerful celebrity in South Korea for 2009.

Rounding out the top five were skiers Lindsey Vonn (\$3 million) and Ted Ligety (\$2 million), and speed skater and "Dancing with the Stars" 2007 champion Apolo Anton Ohno (\$1.5 million), Forbes said.

Olympic athletes rely more on corporate backers for their earnings than winnings from competition, but the recent downturn has made it harder to turn gold medals into lucrative sponsorship deals, the magazine said.

Forbes looked at earnings derived from prize money, endorsements, licensing income and bonuses in 2009 and does not deduct for taxes or agents' fees.

(Reuters) Koreas will not march together in Vancouver: IOC

VANCOUVER (Reuters) - The teams from North and South Korea will not march together at the Vancouver Olympics opening ceremony on Friday as they have done in previous Games, the International Olympic Committee said on Wednesday.

"They will not be marching together this time," an IOC official told Reuters.

South Korea and North Korea are technically still at war having ended their conflict in 1953 with no peace agreement.

They had entered the stadium together during the 2006 Turin Winter Games' opening fiesta in an effort to improve relations.

But worsening political ties since 2006 stopped them from repeating their joint march during the Summer Games in Beijing two years later as plans to take reconciliation a step further also stumbled on the selection procedure for a planned joint team.

(KBS Global) No. of Female Taxpayers Increases

The government's tax revenue from working women is on the rise.

According to the National Tax Service, women accounted for more than 40 percent of the more than three-point-five million tax-paying workers in 2008.

The proportion has been increasing steadily, going from 35-point-six percent in 2005 to more than 39 percent in 2007.

Aggregate income earned by female workers surged from about ten trillion won in 2005 to more than 20 trillion won in 2008.

(KBS Global) Restoration of Sungnyemun Gate to Begin Wednesday

The restoration of the Sungnyemun city gate, national treasure No. 1, will begin Wednesday, two years after the Joseon Dynasty landmark was burned down by an arsonist.

The reconstruction work will focus not only on rebuilding the 610-year-old gate but also restoring parts of the Seoul fortress that were destroyed during Japan's colonial period.

The rebuilding work will be done through the use of Joseon Dynasty construction methods. A blacksmith's shop will be set up at the construction site to produce traditional construction tools to be used at the restoration site.

The Cultural Heritage Administration said it will hold a ground-breaking ceremony on Wednesday and an ancestral rite before launching restoration efforts.

The restoration of the Sungnyemun city gate is set to be completed by 2012.

(KBS global) Sungnyemun Restoration Begins

Work to restore and rebuild Korea's first national treasure "Sungnyemun" has begun in earnest.

The 600-year-old gate, also known as Namdaemun, collapsed after it was set ablaze by an arsonist in February 2008.

The Cultural Heritage Administration held on Wednesday a groundbreaking ceremony and a traditional ritual to pray for the success of the rebuilding efforts.

The work began with the dismantlement of the gate tower on the second floor.

A traditional construction method will be employed to rebuild the national treasure and a blacksmith, who will produce traditional construction devices for the work, will be on-site.

Walls encircling the gate that were damaged during Japan's colonial rule will also be repaired.

The restoration will be completed by late 2012.

(KBS Global) Assembly Approves Peacekeeping Dispatch to Haiti

The National Assembly approved a motion on South Korea's dispatch of peacekeeping forces to earthquake-ravaged Haiti in a plenary meeting on Tuesday.

All of the 173 lawmakers present at the meeting voted for the motion.

The motion allows the nation to send a peacekeeping unit of up to 250 members to Haiti. The unit will mainly be comprised of engineers, but medics and combat forces to protect the post will be included at the request of the U.N.

The Korean PKO unit will be stationed in Leogane, 40 kilometers west of the capital Port-au-Prince, until December 31st.

The government will use an estimated 28 billion won for the troop dispatch and will be reimbursed later by the U.N.

The peacekeeping forces will leave for Haiti as early as this week.

(The Korea Herald) More criminal convict appeals

Over 60 percent of those handed down criminal sentences in the lower court made an appeal and 40 percent of them had their cases returned to the original court for retrial last year, according to the Supreme Court.

Some 10,667 of 17,731, or 60.2 percent, who were sentenced to imprisonment, jail term or capital punishment in 2009 protested the lower court's ruling and appealed to the high court, said court officials yesterday.

The figure was a 4.8 percent rise from that of the previous year, according to officials.

It is also visibly higher than the 10-20 percent level in the United States, Japan and some European countries, showing a clear public distrust in the lower court's decision.

This is further boosted by the high rate of cases annulled by the appeal court.

Last year, 40.9 percent of appellate criminal cases were annulled or altered and were returned to the lower court for retrial.

Though it was a slight fall from 44.4 percent in 2007 and 43.1 percent in 2008, it is still higher than in other countries, said officials.

"The high percentage of overturned cases makes lawyers and their clients take their case to the end, even when there is a low chance of winning in the upper court," said a court official.

"They feel that they have much to lose by not making an appeal as they do not trust the court's integrity in its rulings."

With the excessive number of appeal cases, the court often runs short of judicial manpower and time to properly judge all the cases, said the official.

"Rash appeals should be restricted in order to maximize the court's efficiency and equity," he said.

The court could also promote the integrity in its judgments by reinforcing the official agreement on the standard of criminal sentences, officials said.

"If a standard set of criminal sentences were applied to all crimes, the number of unnecessary appeals would fall," the court official said.

The issue of standardized criminal sentences came into debate last year as a brutal child rapist made his appeal to the Supreme Court. He was sentenced to 12 years in jail, a sentence largely criticized to be too lenient.

(Korea herald) Number of organ donors surges 10-fold in 10 years

The number of pledged organ donors has increased more than 10-fold over the past decade, a state-run organ donation agency said yesterday.

According to the Korean Network for Organ Sharing, which marks its 10th anniversary today, nearly 600,000 people have expressed their wish to donate organs as of December last year, up from 46,948 in 2000.

The number of people who have reversed their decision to donate was 550 as of November, or less than 1 percent, the KNOS added.

Due to a traditional taboo against damaging a corpse, Koreans have long been reluctant to donate their own or their relatives' organs.

The KNOS, which oversees the distribution of collected organs, was established in 2000.

According to the agency, the first person to become a donor after pledging to do so in the event of his death was Kim Sang-jin, whose organs saved seven lives in 2004. This donation, made by a man who had been married just two months, inspired a national campaign and many others to follow suit.

More recently, the number of new pledged donors dramatically increased, largely motivated by the death of Cardinal Stephen Kim Sou-hwan on Feb. 16 last year. He donated his eyes to two patients in their 70s.

After the donations of the late Cardinal, donation pledges through the internet surged 20 to 30-fold and the total figure last year more than doubled from the previous year.

The cases of organ transplant also increased to 3,051 last year, followed by 2,086 in 2005 and 1,306 in 2000, according to the KNOS.

"Up to nine people can benefit from one organ donor," said an official at the Health Ministry.

"Despite a recent surge in pledged donors, however, the situation here still lags behind other countries such as Spain whose organ donation rate has reached 34 percent."

As of 2007, the nation's organ donation rate was 3.1 percent.

Along with expanding its campaign to attract more donors, the government plans to ease the nation's relatively conservative and complicated procedures for organ donations.

According to a revision bill pending at the National Assembly, a declaration of brain death will require the opinion of at least two specialists, instead of the current six-panel committee.

Doctors and heads of hospitals will be obliged to report to organ-sharing agencies when there is a possibility of a brain-dead patient.

The information of organ donors also will be shared among related organizations for recording and academic research, the bill says.

(The Korea Herald) Gov't to revise law on sex crimes against minors

The government will submit a bill before parliament that calls for revising a law on sex crimes against minors by calculating the statute of limitations after the victim comes of age, the prime minister's office said Tuesday, according to Yonhap News.

The revision, which suspends the statute of limitations for sex crimes against children under 13 until they reach the age of 20, was approved by a Cabinet meeting presided over by Prime Minister Chung Un-chan, his office said.

Under current law, the statute of limitations on all sex-related crimes is seven years. But there have been mounting calls from parents of child victims and activists to extend the period that perpetrators of sexual violence against minors can be indicted.

"The government decided to insert the new provision suspending the statute of limitations in the current law because child victims of sex crimes often fail to properly testify about their having suffered such crimes due to fear and poor judgement regarding the situation," the Ministry of Government Legislation said in a statement.

(The Korea Herald) Teachers' bonuses to be linked to schools' performance

Performance-based bonuses for teachers at primary and secondary schools across the country will be linked to their schools' overall performance, beginning next year, the Education Ministry said yesterday.

The bonus gap among teachers will also increase up to about 1.37 million won (\$1,169) in a move to promote competition and enhance public school education, according to the ministry.

The bonus payment has so far been based on teachers' individual performance.

Beginning next year, 90 percent of the bonus payment will be based on individual performance while the remaining 10 percent will be based on the performance of each school they work for.

"More bonuses will be given to the school where teachers closely cooperate with one another to enhance their teaching," Vice Education Minister Lee Ju-ho told a press conference.

A variety of factors, including students' academic achievements, and students' and parents' satisfaction with their schools, will be taken into consideration.

The ministry has also decided not to reflect seniority-related matters in the evaluations to ensure that the bonuses are paid based strictly on performance.

For the school evaluations, each city and province will divide same-level schools into three groups.

Thirty percent of the schools in the same city or province will be given "Grade A," the top grade, while "Grade B" will be given to 40 percent of the schools and "Grade C" will be given to the remaining 30 percent.

(The Korea Times) SAT Lecturer Banned From Leaving Korea

A star lecturer teaching students wanting to take the U.S. Scholastic Aptitude Test (SAT) was banned Wednesday from leaving the country in connection with the ongoing police investigation into a widening scandal over the leaks of the test questions.

The Suseo Police Station in southern Seoul said it had found proof that Jeffrey Sohn, a Korean national, had leaked SAT questions.

Sohn, who had worked at the Recas Academy in Gangnam, a private institute specializing in standardized tests required for U.S. universities, is suspected of obstructing the business of the test organizer, the Educational Testing Service (ETS), police said.

However, the U.S.-based test provider has not filed a complaint against any of the lecturers involved in the recent scandal, only saying that there are no immediate plans to change its test security system.

Popular SAT lecturers are able to earn big paychecks. Sohn, who was teaching English composition for the SAT, was once kidnapped, taken to a villa in Gyeonggi Province and beaten up by his employer last December after he attempted to leave the academy.

Police said the 39-year-old lecturer opened an online community just for students preparing to enter U.S. universities and posted SAT questions after he himself took the tests. He is reputed for picking the right questions for students, who subsequently score well on the SAT.

Police suspect that Sohn acquired SAT questions and offered them to Korean students before they took the test.

Sohn was working with another lecturer, identified by his surname, Kim, at the Recas Academy.

Kim also was booked last month for obstructing ETS business by leaking test questions. He is suspected of securing questions used in Thailand and transferring them together with answers to his students, who were about to take tests in the U.S., taking advantage of the time difference.

The ETS, which has experienced several cases of cheating before, operates the college admission tests in Korea at 22 venues, seven times a year

Last May, a college student who took the exam at a foreign school in Seoul was caught smuggling out test sheets.

ETS once canceled the scores of some 900 Korean students at nine test venues in Korea as exam questions were leaked to a hagwon in the affluent Gangnam district in January 2007.

(The Korea Times) Noted SAT Lecturer's Credentials 'All Lies'

A star lecturer, who is under investigation over Scholastic Aptitude Test (SAT) leak cases, has been found to have lied about his academic credentials.

Jeffrey Sohn, who is suspected of having divulged SAT questions, introduced himself as having a Ph.D. degree in politics from Columbia University, while teaching at private institutes in affluent Gangnam, southern Seoul.

However, the American university said it doesn't have Sohn on its list of graduates, noting he used to be a student at the School of Continuing Education.

He is suspected of having offered students taking the SAT the questions before they took the test. Police have banned him from leaving the country while they investigate further.

The 39-year-old lecturer allegedly taught English composition to more than 1,000 students hoping to advance to U.S. universities. He is reputed for picking the right questions for students, who subsequently score well on the SAT, and earned more than 2 billion won a year.

When he was trying to leave his former work place, Recas Academy for another academy last December, the hagwon owner kidnapped and beat him up.

According to police, the owner of the institute forced him not to move to the other cram school that offered better conditions. Recas also has been sued for plagiarizing about 30 SAT test prep

books published by an American institute, Elite Educational Institute, and police are still investigating this matter.

In the meantime, Seoul Central District Prosecutors' Office has indicted another lecturer on charges of attempting to smuggle SAT question sheets out of a test center abetted by three college students, without detention.

The SAT lecturer, identified by his surname Jang and the three students, who were hired by the instructor, tore out sheets of the test or typed questions into a scientific calculator four times between last October and January this year. The hired collegians were paid 100,000 won each time.

The SAT test provider ETS strictly forbids the disclosure of SAT test papers but it has had problems involving test leaks and cheating. It holds the college admission tests in Korea at 22 venues, seven times a year.

More and more Koreans are heading to the U.S. for higher education and Korea sends the third largest number of students to colleges there. Last year, the U.S. saw a total of 69,124 Korean students at higher education institutes.

Despite a series of its test-related problems, ETS is under fire for a lack of measures to deal with them.

Basically, it appears to be approaching this issue as an isolated affair, although, in the latest case, there was an international link between Thailand and Korea, when a lecturer received questions from SAT tests conducted in Thailand hours earlier and passed them along to two Korean test-takers in the United States taking advantage of time difference

(The Korea Times) Only 2 in 10 Admitted to High School of Choice

About 22 percent of middle school seniors in Seoul have been enrolled at their preferred high schools.

Seoul Metropolitan Office of Education announced Thursday a total of 86,852 high school hopefuls applied for schools and 3,199 students, some 22 percent of the total, have been admitted to their preferred schools.

Previously high schools, except for specialized schools, had recruited students according to their place of residence and through a lottery.

The city education authorities introduced a new admission system last year, to encourage them to develop their education environment with better students.

Under the system, students can apply to a maximum of four high schools - two from anywhere across the city and two within their residence district.

The schools select 20 percent of their admission quota from the total pool of applicants and admit another 40 percent from students in the districts each school belongs to.

For the remaining admission quota, schools accept students who failed to advance to any of the schools they applied to.

For the second session, which assigns schools to 12,700 students who applied to preferred schools within their residence districts, 4,744 middle school seniors, 37.4 percent of the total, were admitted.

"I believe the new admissions system will encourage schools to make more efforts to develop and provide custom-tailored education," said Han Ik-seob, an official of the education authorities.

In the meantime, about 27 percent of the students selected high schools for special curricula they offered, according to a survey by the education office on 1,100 students across the city.

Convenient commuting came next at 19.6 percent and 18.2 percent considered the number of graduates from each school who advanced to prestigious universities.

Korea is undergoing a shift in focus in its education system from equality to competitiveness under the current conservative Lee Myung-bak government. Giving middle school seniors the choice of high schools they want to attend is one of key initiatives.

(The Korea Herald) Foundation raises funds for multicultural children

A scholarship foundation for students from multicultural families yesterday held its first fundraising event since launching in May last year.

The foundation, led by two-term Grand National Party lawmaker Lim Hae-kyu, aims to raise 60 million won (\$51,281) this year to select a total of 20 students - 15 from high schools and five from universities - to offer academic support grants.

The tentatively labeled "Camel Scholarship Foundation," which will also conduct further studies on how to assist multicultural children, awarded scholarships to 10 students at the event yesterday.

"Since this is only a beginning, we're considering only targeting students in the Gyeonggi area for this year but we're planning to go nationwide next year," Lim told The Korea Herald.

When asked why he decided to set up the fund, he said that most lawmakers' work tended to receive no recognition after they finished their terms in office.

"I thought about myself and what I could do as a legislator who has been sitting on the parliamentary education committee ever since entering the Assembly," he said. "It came to me that I specifically wanted to form a scholarship foundation to assist needy children who are close by."

As a result, Lim and two other lawmakers from the education committee decided to take part in creating the foundation and it is now planning to grant scholarships to selected children twice a year.

A list of students will be recommended either by the local multicultural family support centers and city education office and will then be reviewed by the board of the foundation.

"Our organization should be composed of ordinary people instead of National Assembly representatives since the terms of the lawmakers are not infinite. It should be a meeting of people who share a common interest in the group," he said.

According to government data, the number of multicultural children attending elementary, middle and high schools in Korea sharply surged from 7,695 in 2005 to 20,180 in 2008.

(The Star online) Get started early

Asian women need to be more aware of their ageing concerns.

BEAUTY experts advise women to take preventive measures against signs of ageing starting at 25 years old. When our body's metabolism begins to slow down (by late your 20s), the first signs of ageing (think: fine lines around the eyes and mouth) often appear.

A research conducted by Unza and AC Nielsen found that a large percentage of young Malaysian women are unaware of the importance of anti-ageing products. The study, conducted last September, revealed that only 10% of women between 25 and 35 years old used anti-ageing skincare products.

"Based on research, we discovered that women in their early 20s had concerns about wrinkles upon detecting fine lines on their face. However, many did not think about crow's-feet and sagging skin because they weren't exposed to the importance of anti-ageing products," said Unza Malaysia Sdn Bhd's general manager marketing Christina Yong, during the launch of its newest anti-ageing skincare range, Skinz Infinite.

Yong added that most women did not take preventive measures till it was too late.

"External factors like sun exposure and emotional stress cause skin to show signs of ageing sooner than we traditionally thought. Most women wait until their mid-30s before taking action

against ageing but sadly, this attempt is too late. There are even some who were in complete denial and believed that fine lines could be erased with ordinary moisturisers,” she said.

Skinz Infinite is Unza’s second skincare line after Skinz UV White, and targets Asian women who are 25 years old and above. It combines the goodness of 99% plant active Bio Stem Cell activator (which works at the deeper layer of skin cells) and Toco-Retin A (which helps reduce signs of ageing) to keep fine lines and wrinkles at bay. The products, built on the synergy between nature and technology, are manufactured locally using expertise from Japan, South Korea and Germany.

“Through our research, we discovered young women had knowledge of whitening products which help lighten and reduce dark spots, evening of skin tone and protection against further darkening. They assumed anti-ageing products catered to older women and didn’t like the texture of such creams,” explained Yong.

Skinz Infinite comprises four anti-ageing products. The Soap-free HydraClean cleansing cream washes away make-up and lifts impurities to leave skin soft and supple while the Alcohol-free Hydra Plenish Glacier toner has essential Swiss glacier mineral water claimed to inject instant hydration while refining pores.

The Moisturising cream, Youth Recall Day, is packed with antioxidants and is said to help strengthen skin against free radicals and delay photo ageing.

It is supposed to kick-start cell renewal process, increase elasticity and skin radiance. Enriched with carnosine, the cream fortifies the skin’s age-defying system.

Infinite Eye Revive Therapy is touted to visibly reduce fine lines and brighten eye area.

Youth Recall Serum is the star product which is said to promote cell renewal with the combination of Bio Stem Cell activator and Toco-Retin A. The activator helps stimulate skin’s stem cells while penetrating through all three layers of skin.

These ingredients are said to actively exfoliate dead skin cells and stimulate skin cell renewal for a visibly brighter and younger looking skin within two weeks of regular use.

(KBS Global) Seoul Gov't to Create Park in Tashkent

The Seoul Metropolitan Government has decided to build a park in Uzbekistan’s capital of Tashkent by 2012.

Tashkent will provide the plot of land and Seoul will cover the costs associated with creating "Seoul Park."

Seoul Mayor Oh Se-hoon and Tashkent Mayor Abdukahhar Tukhtayev are expected to exchange a letter of intent on the creation of the park in Seoul on Thursday.

The Seoul Metropolitan Government adopted a friendship accord with Tashkent in 2006. Since then, the two sides have been conducting a variety of civil exchanges.

Currently, some 80-thousand ethnics Koreans are estimated to be residing in Tashkent.

(The Korea Herald 12) Depression is main cause of suicides

"Depression is sometimes described as a 'mental flu.' That may be because it is a common disease that can be cured easily. However, for me, depression was more like pneumonia that threatened my life," a woman wrote on her depression experiences.

The woman in her late 30s suffered depression after her husband was diagnosed with rectal cancer a few years ago. Because it was right after delivering her daughter, her illness developed severely.

"Now completely recovered, I try to remember the disease's 80 percent recurrence rate. I don't want to experience such a thing ever again," she said in her essay, which won the first prize at a contest held by the Social and Economic Burden of Depression Initiative Korea, a local branch of the Asian call to join forces to fight against depression.

A growing number of Koreans are suffering from depression, a state of low self esteem and aversion to activity.

According to the Ministry for Health, Welfare and Family Affairs, the disease is most common among young people in their 20s as they feel stressed from studying and finding a job.

However, those in their 50s accounted for the largest portion of patients diagnosed with depression, the ministry said.

In 2008, a total of 469,522 people received treatment for depression, up from 420,250 back in 2005.

"Depression can be cured through self checkups and early mental and medical treatment. With some help from family and friends, the disease can be overcome completely," said a ministry official.

"Even though depression is a disease that can be cured, few people are visiting clinics for treatment due to a lack of awareness. If suspected patients are not treated properly, severe side effects, including suicide, can occur."

Wonju Mental Health Center, located in Gangwon Province, conducted a survey on its 142 patients who have attempted a suicide -- the nation's first of its kind. Of the total, 79 people, or 55.6 percent, were found to have experienced depression.

Internationally, 2 to 15 percent of people diagnosed with depression kill themselves, the ministry said.

The Health Ministry provided diagnostic criteria for depression, which is based on the Diagnostic and Statistical Manual of Mental Disorders developed by the American Psychiatric Association.

According to the ministry, people who have more than four symptoms for two weeks need to visit a doctor.

The symptoms include losing or gaining weight, sleeping less or more, losing concentration, experiencing feelings of sadness, helplessness and hopelessness and thinking about death or planning a suicide.

After a series of suicides committed by celebrities in recent years, depression started to be recognized as a social issue here.

Starting with an international meeting in Switzerland, the Social and Economic Burden of Depression Initiative was launched in 2001 to join forces of individuals, government and the medical community to fight against the suffering caused by depression.

The SEBoD Korea, consisting of social and medical specialists, offers education, checkups and professional consultations. A total of 14 medical organizations are participating in the program this year.

In order to renew people's awareness of depression and detect potential patients earlier, the group also trains individuals at schools, military and government offices to help sufferers overcome the disease. The government is also operating call centers and online consultation sites. The information on mental health centers across the nation is also available at the ministry's website www.mw.go.kr

(The Korea Times) What Motivated Koreans to Develop Nation?

It is hard to appreciate, as Korea submits its bid to host another Olympics and marshals its ideas for the advanced nation debate as chair of the G-20, that this country was once dirt poor.

But, when President Lee Myung-bak was a boy, the annual per capita gross national product was just \$80. That put Koreans behind Indians and level with the Sudanese. People still lived, begged and died on the streets.

In assessing what brought the national economy from then to now in a generation, it is customary to talk in terms of policies, industries, and investment decisions. The implication of such analysis is that development is not that hard, just a matter of picking the right policy from the handbook and dangling the right carrot and applying the stick when necessary to get things done.

That is the approach being taken in this series — the policy focus, that is. But, as the carrot and stick comment suggests, economics and administration are human endeavors, arts, not sciences. The human will to change is the exception, and the tendency to copy others, revere elders and remain the same, even if it means staying backward and poor, is the norm. In fact, it is so much the exception that when successful and rapid development takes place, as it did in Korea after centuries of poverty, we conceive of it as a miracle. So, we want to know, who were the Korean miracle-makers of 50-60 years ago and what motivated them to turn their country into the powerhouse it is today?

The Leader

One part of the answer is leadership. Without Park Chung-hee, the army general who seized power in May 1961, Korea may today be limping along like Burma or the Philippines. Park was an extraordinary character, an "economic warrior," in the words of the author Mark Clifford, in "Troubled Tiger," his book on Korean development:

"Park was a nation-builder with few peers in the modern world. None of the better-known national architects of the 20th century — Ataturk, Nasser, or Lenin — have built a more durable and prosperous country than Park," he wrote. "From the May 16 coup until his assassination in 1979, Park Chung-hee was the nation's schoolmaster and its chief economist."

Like so many success stories of his generation, Park came from a poor peasant family and excelled at school. In 1940, when he was 23, he entered the Japanese military academy in Manchuria as a cadet — Japan at that time controlled Korea and parts of China. He graduated top of his class and was sent for a second two-year course at the elite military academy in Tokyo. In the Japanese army, Park was exposed to the mixture of rightist military ideas and communist notions of state control prevalent among Japanese officers and saw them in action in the development of Manchuria, where the army worked with Japanese business groups there to build dams, factories and power stations.

After the war, Park returned to Korea and led a communist cell of subversive officers within the Korean army. He was arrested, sentenced to death, and then released after apparently cooperating with investigators, a move that committed him to an anti-communist path, although the views that he brought to Korean development ironically remained very much wedded to the leftist idea of state control.

Park's vision for Korea was of a country with the industrial base to defend against North Korea without relying on American support, which he knew would one day disappear. As a nationalist and a soldier, his argument was virtuous self-sacrifice for the nation, and his strategy was to restrict freedoms, such as the right to criticize South Korea (and, in the 1970s, even U.S. policy), that distracted the citizenry from this worthy direction.

The lieutenants

To implement his plans, Park made a conscious decision to avoid development via hundreds of small and medium enterprises. He considered this approach in Taiwan, under the Nationalist dictator Chiang Kai-shek, to be wrong for Korea. He relied instead on a coterie of like-minded souls, such as Park Tae-joon, founder of POSCO, Chung Ju-yung, the nation-building founder of the Hyundai Group, and Kim Woo-choong, the founder of the Daewoo Group. These men were legends to their workers — Daewoo's Kim, for example, was a fifteen-hours-a-day, seven-days-a-week man for three decades and is said to have taken his first day off work in 1990, at age 54, after his son was killed in a car crash.

Once trusted by Park, they were nudged into new directions — from shirt-making to shipbuilding — and given the cash they needed to expand. Businesses that failed, either commercially or politically — because Park didn't like their owners — were handed over to them. Banks were ordered to lend to them. As these big trees grew, others withered in their shade, as a Korean saying goes. It was unfair, brutal even. But this team built a nation.

The People

One reason that Korean development was not predicted by any single expert (local or foreign) was that, all other conditions aside, Koreans had not traditionally valued hard work or commerce. Such endeavors were for the lower orders, they thought. The most virtuous occupation was government service, where the afternoon nap, smoke of the pipe and composing of a poem took priority over service to the unwashed masses.

Once a government official, you not only became a member of the elite, but so did your descendants. The way in was through education, and it is here that we see the link between modern Koreans and their ancestors. Education was, and remains, the gateway to positions that their occupants believe makes them better than other people — a key motivator and source of happiness in life then as it is now. In modern Korea, education remains the great leveler: it is the only path to success and, until very recently, didn't cost much.

This goes back a long way. Records show there was a Dae-hak ("great school," now the word for "university") in the year 372. In the year 992, an institution called Kug-jagam was set up to replace the earlier schools and education changed its focus to help prepare upper class youngsters

mostly for civil service careers. In 1398, after a Confucian military coup, the new regime replaced this with the Sung-kyun-kwan, now Korea's oldest surviving university.

Traditionally, an ambitious boy could rise to the top — which meant becoming a government official — by memorizing the Chinese classics and passing the civil service exam. The central theme of this learning was ethics. Thus in theory, the country was run by its most virtuous members.

The 1950s were an exception, a time of sheer struggle to survive, when the kind of opportunities that arose were often taken by the forceful and the enterprising, not the educated. But even these new leaders were soon hiring the best and brightest, the boys who had broken the ice in their inkwells on winter mornings and gone on to get their PhDs. By the late 1970s, Korea had the highest level of education in relation to wages in the world.

From the corporate point of view, the important thing about this education was that it taught people to do what they were told and to see their life is one of service to country.

Once at work, people found their natural tendency to build hierarchies given a certain military twist. The work title — manager, team leader, department head, for example — was carried rather like a military rank and even used outside of work by neighbors and others. Thus, people naturally aspired to promotion.

The status conferred by a title counted a lot for a worker's wife and family. And this points to another key factor in Korea's development — that it was a family affair. As a nation pulled itself out of the paddy fields — at the most intense moment in the 15 years from 1965 to 1980 — families rallied round, its members playing their part. Typically, husbands worked around the clock, and wives managed the house. With the support of extended families, gone today, women could put up with men who worked seven days a week and barely saw their children. Husbands could handle assignments overseas or living with their mothers when their wife took the children for overseas schooling. In other societies, such patterns would have ruptured families.

Work was, for most Koreans when development got going, the sole source of identity. The near absence of leisure meant that people developed few interests that soaked up their time or gave them meaning outside of the company or factory.

It was, looking from the perspective of Korea today, a grim and wearying life, borne by a generation that, to the under-40s, seems dull, conservative, unfashionable and single-minded about work to the point of being remote. But, there's more to people than bad suits and hairdos. The people who built Korea are its greatest generation.

(The Korea Times) 6 Arrested Over Murder of Korean Businessman in Guatemala

Six people including two Koreans, suspected of killing a Korean businessman in Guatemala, have been arrested by local police, according to a source at the Ministry of Foreign Affairs and Trade, Friday.

The 56-year-old victim identified by his surname Song appeared to become the target of the suspects after he won \$240,000 at a casino, it added.

"Among the suspects are two Koreans who recently went to casino with Song," the source said, asking to remain anonymous. "They are believed to have committed the crime after they learned he won \$240,000 at a casino."

The two Koreans are known to have been acquaintances of the victim.

After returning from the casino, they allegedly brought four Guatemalan police officers and one soldier into their scheme to kidnap the jackpot winner.

The authorities are still searching for the other suspect, who was working as a police officer.

The kidnapers asked for \$1.5 million in ransom after abducting Song on Jan. 18 and pocketed about \$6,000 from officials working at a sewing factory the victim owned.

The two acquaintances were reportedly ordered to slay the abductee as he recognized them.

Guatemalan police authorities arrested the six suspects Thursday.

Song was found dead on a hill in Talin, about 40 kilometers west of Guatemala City, earlier this month.

An official for the foreign ministry said that Koreans there should take precautions, given the security situation in the Latin American country.

"According to statistics, around 16 people are shot dead every day and about 6,000 people per year die as a result of felonies," he said, requesting anonymity.

It is not rare to hear of kidnapping cases and subsequent murders since a contract killing there only costs a few hundred dollars, he added.

He urged Koreans to avoid going to dangerous places and watch out when leaving financial institutions and banks.

"They should stay away from casinos and places that allow gambling, in particular," he said.

The South Korean Embassy in Guatemala offers detailed tips on what to do when faced with a dangerous situation on its Web site, <http://gtm.mofat.go.kr>.

(The Korea Times) New Adoption Policy Backfires

The government has approved a policy that reduces the number of babies eligible for overseas adoption but the plan is showing signs of backfiring, depriving children with special needs of chances to be placed with qualified parents.

According to social welfare officials specializing in adoption, the current system needs to be changed to increase the opportunities for children with special needs to be taken in by parents overseas or domestically.

They say the system was introduced to improve Korea's reputation when it comes to adoption that it sends many children overseas.

But considering Koreans' long-held reluctance to adopt, the plan was ill-conceived, they say.

The latest statistics, filed by the U.S. State Department, show that Korea is fourth behind China, Ethiopia and Russia in terms of foreign adoptees in the United States since 1996.

Under the current system, children up for adoption should stay in foster care for five months while waiting to be placed with suitable new families. If no Koreans apply, then the child becomes a candidate for overseas adoption. Thanks to the system, the number of overseas cases is shrinking at a dramatic pace — the government is planning to reduce the number of overseas adoptees by 10 percent every year.

However, insiders say the system is effective when it comes to the adoption of female children, but works against the rest, especially those with special needs.

About 97 percent of children with disabilities or serious illnesses were taken in by overseas parents, reflecting the fact that Koreans still prefer children without such challenges.

"However, due to the system, even when the process is complete, they sometimes have to wait a year to meet their new parents," a social welfare planner, who asked not to be named, said.

Despite the government's encouragement for domestic adoption, the number of children taken in by Korean families is not growing as fast as expected. The government provides incentives to families who adopt Korean children. Still, 1,314 children were given new homes in 2009, a fall from the 1,388 in 2007.

"It is true that these children are less likely to be chosen even after the five months. The longer the process takes, the longer it takes for them to get adjusted to their new life," the welfare planner said.

Bae Tai-soon, a professor at Kyungnam University said, "We have constantly been talking about this issue but the government seems not to be listening. It is best for children to be brought up in

a stable family. We need to allow the special-needs children to find new homes, even if it is abroad."

(The Korea Times) Take Regular Breaks; Keep Heater at Moderate Temp

Driving home for the three- days Seollal holiday, which starts today, is likely to take longer than usual, so those who drive should take special precautions. A civic group that promotes safe driving has come up with "10 commandments" for travelers, ranging from taking regular breaks to picking a less congested time for departure.

"The Citizen's Organization for Driving Cars for 10 Years" said the Seollal holiday lasts for only three days this year and those who will drive home will have to be prepared for the long drive and need proper rest during the journey.

Those who will leave at dawn or in the middle of the night to avoid traffic congestion should be cautious about dozing off at the wheel.

"The possibility of falling asleep while driving is four times higher from 10 p.m. to 6 a.m. than during the day," an official of the organization said. The civic group suggests the drivers should avoid blowing hot air directly onto the face and maintain the temperature inside the car at around 22 Celsius degrees.

They also suggests putting the driver's seat in the upright position and taking a 10 minute break after driving for two hours to reduce the danger of accidents.

Before starting the trip, the drivers should inspect their cars if they have to travel a long distance. Major checkpoints are brakes, tire pressure, coolant and motor oil.

Filling up the car is a good idea since gas mileage is lower in cold winter weather and drivers might find it hard to get more gas due to the congestion

(The Korea Times) 17 Teachers Get 'Forced Transfers'

Seventeen teachers in Seoul have been transferred to other schools due to poor performance as assessed by their principals. The transfers mark the first time that school administrators have exercised their new authority to evaluate teachers and hand down punitive measures.

The moves are expected to be met with opposition from unionized teachers concerned with principals wielding too much power.

The Seoul Metropolitan Office of Education said Friday a total of 3,947 teachers have been transferred to other schools for the coming semester. Education offices in cities and provinces regularly rotate teachers at public schools so that students can learn from a variety of teachers, while teachers can also experience different schools.

Of them, 17 were forced to leave their schools due to poor assessments from their principals.

"These cases show that principals have been empowered and that incompetent teachers can face disciplinary transfers if deemed necessary by their school head," said an official from the education office.

Nine teachers were transferred for being negligent on the job and three others for "incompetency" or causing complaints from students and parents. Among them is a math teacher who failed to solve a question asked by students.

Other teachers were transferred for such behavior as spreading rumors or being involved in corruption cases.

This move is in line with the Lee Myung-bak administration's policy to introduce competition among teachers and schools as an effort to improve the quality of public education. To this end, education authorities plan to introduce a teacher evaluation system from the spring semester through which teachers can be rewarded with incentives or face disciplinary actions based on their performance.

In addition, the government plans to amend the assessment system for school principals and vice principals so that those who perform poorly will be demoted to ordinary teaching positions.

Each city and provincial education office will rate schools and categorize them into three groups according to their performance, and teachers will receive bonuses based on individual performances and overall school achievements.

(The Korea Times) 8 High School Girls Booked for Bullying

The Central District Police Station in Ulsan Friday booked eight high school girls without detention for bullying middle school students and taking their pocket money.

According to police, the bullies threatened a total of 20 middle school students and demanded 600,000 won, 30,000 won from each. One of the booked students, identified by her surname, Kim, blackmailed the victims, threatening to pelt them with flour or eggs to spoil their graduation day.

An informal graduation day ritual, which is now fast disappearing, has seniors throwing flour or eggs at the graduating students or graduating students tearing their school uniforms.

The young students collected only 138,000 won among themselves and, when they handed the collection to the bullies, the older students got angry.

The high school girls showed up at the school on graduation day and threw eggs at and poured flour on them. Kim and her friends were quoted as telling police that they needed the money to buy pizza and for karaoke.

The case comes at a time when there is an outcry over a videotaped bullying case in which a group of female students beat up younger pupils on a street corner near their school. The tape was posted on YouTube but was pulled after a public outcry.

Japan

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Detailed News:

(The Strait times) Abbas visits Hiroshima

HIROSHIMA (Japan) - PALESTINIAN President Mahmud Abbas kicked off his Asian tour on Sunday in the Japanese city of Hiroshima ahead of a meeting with Prime Minister Yukio Hatoyama.

Japan is one of the top donors for the Palestinian territories, providing more than one billion dollars in aid since 1993.

Mr Abbas, who plans a four-day stay in Japan, will meet Mr Hatoyama and Foreign Minister Katsuya Okada to discuss strengthening relations and aid from Tokyo, Japanese officials said. Mr Hatoyama is expected to express Japan's support for efforts by Mr Abbas to promote peace negotiations with Israel, the officials said.

Mr Abbas visited the Hiroshima Peace Memorial Museum, a site to remember the US atomic bombing on August 6, 1945, which killed more than 140,000.

Mr Abbas, escorted by Hiroshima Mayor Tadatoshi Akiba, donated a flower wreath at the memorial. He told reporters that the world should abandon weapons of mass destruction including nuclear arms.

After the trip to Japan, his second visit as the Palestinian head of state, Mr Abbas plans to fly to Seoul and meet South Korean President Lee Myung-Bak. -- AFP

(The Strait times) Ministers agree G-7 will live on

IQALUIT (Canada) - THE Group of Seven will persist as an elite club of rich nations for discussing global issues, its finance ministers have agreed, a source told AFP on Saturday amid doubts over its ongoing relevance.

Finance ministers and central bankers from Canada, the United States, France, Germany, Italy, Japan and Britain on Saturday wrapped up two-day talks in Canada's far north aimed at firming a tentative global economic recovery.

At a dinner meeting on Friday, 'everyone acknowledged the ongoing usefulness of the G-7,' a European source told AFP, and said its members should continue to meet regularly in a less formal way.

Started in 1975 by former French President Valery Giscard d'Estaing as a 'fireside chat' among leaders of the world's richest nations, the G-7 ran the world economy for decades.

But with the G-20, which includes major emerging markets such as Brazil, China, India and Russia, taking the lead as the world's premier economic forum at a meeting in Pittsburgh in September, the G-7 lost its essential purpose.

'There's absolutely no doubt that the pendulum has swung to the G-20,' Don Drummond, chief economist for TDBank Financial Group and a former senior Finance Department official, told the daily National Post this week. Host Canada said it wanted the Group of Seven to return to its 'roots' with 'smaller,' 'informal' and 'frank' discussions. -- AFP

(The Strait times) Ozawa should quit DPJ anyway

TOKYO - MOST Japanese feel ruling party kingpin Ichiro Ozawa should quit his secretary-general post even though public prosecutors have not been able to substantiate claims that he had violated political funding controls.

A survey published yesterday by the influential Asahi Shimbun daily showed that 68 per cent of voters thought he should give up his powerful position in the Democratic Party of Japan (DPJ).

The survey was conducted immediately after prosecutors said last Thursday that they would not bring charges against Mr Ozawa over a funding scandal involving a land deal.

His three past and present aides, including Lower House lawmaker Tomohiro Ishikawa, have however been indicted on charges of falsifying political fund accounts.

Mr Ozawa is often described by the Japanese media as the most powerful politician in Japan, surpassing even Prime Minister Yukio Hatoyama who is also head of the DPJ.

The scandal has however little affected the Hatoyama administration, whose popular support remains just below 50 per cent. Although support for Mr Hatoyama's DPJ has slipped to 34 per cent, that of the opposition Liberal Democratic Party (LDP) has also fallen slightly.

(The Strait times) **Support for Japan PM dives**

TOKYO - DISAPPROVAL ratings for Japanese Prime Minister Yukio Hatoyama exceeded his approval ratings for the first time since he came to power last year, newspapers reported on Sunday amid a simmering money scandal.

The polls were taken after Tokyo prosecutors last week decided there was 'insufficient evidence' to file charges against political kingmaker Ichiro Ozawa following an investigation into allegations of bribery.

The conservative Yomiuri daily said the disapproval rating for Mr Hatoyama's cabinet rose five points from last month to 47 per cent, overtaking the approval rating, which stood at 44 per cent, for the first time.

The liberal Asahi Shimbun said Mr Hatoyama's disapproval rating increased to 45 per cent, overtaking the approval rating at 41 per cent.

Yomiuri said 74 per cent believed Mr Ozawa should quit the number-two post of secretary general in the ruling Democratic Party, while Asahi said 68 per cent responded likewise. Both surveys polled more than 1,000 voters.

Japan's opposition has been on the offensive over the scandals involving Mr Ozawa and Mr Hatoyama, who also faces allegations that he tried to evade inheritance tax. 'Insufficient evidence

only means the case (of Ozawa) remains in the grey zone,' said Toshimitsu Motegi, a member of the conservative Liberal Democratic Party, in a debate programme on public broadcaster NHK. 'We will continue pursuing facts in parliament sessions.' -- AFP

(The Strait times) **Support Ozawa stresses PM**

TOKYO - JAPAN'S centre-left Prime Minister Yukio Hatoyama said Monday he supported his party's secretary general who days earlier avoided being indicted over a political funds scandal.

Three weekend polls said around 70 per cent of Japanese voters want Ichiro Ozawa to step down as the number two in the Democratic Party of Japan (DPJ) over the scandal, in which three current or former Ozawa aides were indicted.

Hatoyama told reporters that he had confirmed to Ozawa - a powerful former party president sometimes dubbed the DPJ's 'Shadow Shogun' - in a meeting Monday that he could stay on in the post.

Public prosecutors last week indicted the trio of Ozawa aides, including a DPJ lawmaker, for alleged accounting irregularities but dropped their investigation against Ozawa citing insufficient evidence.

Ozawa Monday told media: 'I apologise to the public for causing trouble with the issue of my political funds... but I want you all to understand that the prosecutors' fair investigation proved that I did nothing wrong.'

Referring to the opinion polls, which also showed approval for the government in the 40 per cent range, Ozawa told the reporters: 'This is because you guys have reported for a month that Ozawa received dubious money... I'd like you to report that I was innocent, and then hold the polls again.' -- AFP

(The Japan times) **Hatoyama is tax-dodging king: Yosano**

Rich mom's sworn testimony urged

Slamming Prime Minister Yukio Hatoyama as "the king of tax evasion in the Heisei Era," the opposition camp Friday continued to attack the ruling Democratic Party of Japan over its recent political funds scandals.

"It is not right that (Hatoyama) is in the prime minister's seat," Liberal Democratic Party veteran Kaoru Yosano said during an intensive session of the Lower House Budget Committee. The LDP lawmaker pushed for the prime minister to step down, pointing to Hatoyama's recent political funds mismanagement that included an unregistered ¥1.2 billion in donations from his tycoon heiress mother, Yasuko.

"If the same act were taken by a private person, they'd be looking at a year, maybe a couple of years, behind bars," said Yosano, a former finance minister, adding that Hatoyama's deferred payment of gift tax over the shady donation does not clear him of tax evasion accusations.

Hatoyama's mother provided a monthly donation of ¥15 million to the prime minister's fund management body for seven years through 2008, of which some were registered as funds from fake donors.

The prime minister paid ¥600 million in gift tax after the case came to light, and after his initial claim that the funds constituted loans was rejected, but his two former secretaries were indicted for alleged violation of the Political Funds Control Law.

While Hatoyama insisted he was simply unaware of his mother's favors, Yosano quoted his LDP lawmaker younger brother, Kunio, who said Hatoyama asked their mother for the money. Hatoyama denied he ever made such a request, claiming his brother was fabricating the story.

The LDP has informed the DPJ of its plan to seek the summoning of the mother to give sworn testimony in the Diet.

Friday's deliberations in the Diet, which opposition parties called "an intensive session on money and politics," also touched on DPJ Secretary General Ichiro Ozawa's alleged false reporting of political funds.

The case led to the indictments last week of DPJ lawmaker Tomohiro Ishikawa and another former aide to Ozawa, as well as a current secretary.

"It is an embarrassment to the world how secretaries of both the prime minister and Ozawa were arrested," LDP lawmaker Masazumi Gotoda told the session, criticizing the DPJ for lacking "self-cleansing capabilities."

Meanwhile, the LDP's Yasufumi Tanahashi quoted a 2002 statement by Hatoyama in which he said that lawmakers are "coprincipals" of their secretaries and that one should be held liable for the misconduct of the other. Tanahashi criticized Hatoyama for his double standard, asking why he has shied away from reprimanding Ozawa.

(The Japan Times) Somali minister appeals for aid

The foreign minister of the Somali transitional government is calling on Japan to provide more help to the peace-building process in the African country, which remains a hotbed of Islamist insurgents and pirates.

Ali Ahmed Jama Jangeli, the minister of the Somali transitional federal government that was established in 2005, expressed his appreciation during an interview Tuesday in Tokyo for Japan's recent additional aid of \$35.2 million for such areas as police assistance and infrastructure maintenance, saying Tokyo is "showing renewed interest in Somalia and that is very good."

However, he expressed hope that Japan will expand the scope of its assistance and engage in long-term support for Somalia, which he believes has "strategic importance" and is "potentially rich" in natural resources.

"There are a lot of investment opportunities in the future. We want Japan to be engaged in Somalia now and in the future," Jangeli said.

He said Tokyo can help in rebuilding roads, schools and hospitals, and in providing water and sanitation in areas where fighting has ceased.

Somalia has been rocked by violence since the collapse of the central government in 1991.

The transitional government has yet to establish effective control over the country and has been fighting the Islamist rebel group al-Shabab, which is believed to be linked to the al-Qaida network. The insurgents control much of southern and central Somalia.

Japan does not recognize the transitional government due to its lack of control over the nation but has extended \$85.2 million in aid through international organizations since 2007, excluding the fresh support announced Monday by Foreign Minister Katsuya Okada.

Japan has also dispatched vessels and aircraft to engage in antipiracy operations in the region.

Jangeli pointed out that al-Shabab and the pirates are "not only the threat to Somalia but they are the threat to the region and beyond."

"We want everybody to contribute in the fight against pirates and in the fight against these terrorists because they will eventually endanger lives in other places in this global age," he said.

"It's cost-effective to do it now. We're the first line of defense. We must defeat them so that others in the region and beyond are safe."

He said he anticipates that the United Nations will eventually send a peacekeeping force to replace the current African Union troops, saying the international community has "the responsibility to help us defeat those (rebel) forces."

"We can't do it alone," he said.

In January last year, the U.N. Security Council unanimously adopted a resolution basically agreeing on the need to deploy a U.N. peacekeeping force in Somalia, but so far no such force has been dispatched

(The star online) Japan PM sees new reform minister lifting support

TOKYO (Reuters) - Japanese Prime Minister Yukio Hatoyama said on Wednesday he will appoint a member of a waste-cutting task force as administrative reform minister, in a bid to boost flagging support ahead of a mid-year election.

Yukio Edano, 45, will take over the post from Yoshito Sengoku, who also holds the national strategy portfolio.

"Mr. Edano is very talented and was at the centre of the cost-cutting task force," Hatoyama told reporters.

"We need to do a second round of that soon and in order to win back trust for the Democratic Party I would like him to spearhead this as soon as possible."

Hatoyama's administration and the ruling Democratic Party have seen a slide in support over a funding scandal that embroiled party kingpin Ichiro Ozawa, 67, which could hurt the Democrats' chances of winning an upper house election expected in July.

The Democrats, who took office in September after winning control of the more powerful lower house, also need an outright majority in the upper house to avoid policy stalemate.

While prosecutors decided last week not to charge Ozawa in the funding scandal, some Democrats including Edano have been critical of him.

Ozawa's skills as a campaign strategist have been seen as key to the Democrats' success in the upper house election, in which victory would enable it to pass bills smoothly without relying on two tiny coalition partners, the Social Democrats and the People's New Party (PNP).

If Ozawa remains in his party post, voter disapproval could continue to dent support for the government and the party.

Approval ratings for Hatoyama's government have slid to under 50 percent from about 70 percent when the Democrats took power.

The Democrats, the PNP and their allies now have a bare majority in the upper house without relying on the Social Democrats, after a defector from the main opposition Liberal Democratic Party joined the Democratic Party this week

Japan apologizes for colonial rule of Korea

(CNN) -- Japanese Foreign Minister Katsuya Okada on Thursday apologized to South Korea for the more than three decades when Japan ruled over Korea, calling the time a "tragic incident."

Okada made the rare apology during a joint news conference with South Korean Foreign Minister Yu Myung-hwan, Korean state-run media reported.

"I believe it was a tragic incident for Koreans when they were deprived of their nation and their identity," Okada said, according to the Yonhap news agency.

"I can fully understand the feelings of (Koreans) who were deprived of their identity and nation. I believe we must never forget the victims," he added.

Japan controlled Korea from 1910 to 1945. During that time, Japan's military is accused of forcing about 200,000 women, mainly from Korea and China, to serve as sex slaves. They were known as "comfort women" for soldiers in Japan's Imperial Army.

There have been street protests and lawsuits in that past in South Korea over the sufferings of the comfort women.

At least one other Japanese leader has apologized for the era.

In 2001, then-Prime Minister Junichiro Koizumi acknowledged the "enormous damage" inflicted by Japan's military "by colonization and invasion."

(The Japan Times) Over 70% want Ozawa to resign

Cabinet disapproval rate hits 45.1% in poll

More than 70 percent of people surveyed believe Ichiro Ozawa should resign as secretary general of the ruling Democratic Party of Japan, despite dodging an indictment over a funding scandal, a nationwide poll showed Saturday.

The disapproval rate for the Cabinet of Prime Minister Yukio Hatoyama edged up to 45.1 percent, staying above the approval rate for the second consecutive poll, the latest survey showed.

The poll, conducted by telephone Friday and earlier Saturday, showed that 72.7 percent of the respondents think Ozawa should step down from the party's No. 2 post over a scandal involving a land purchase by his funds management body, and that 87.2 percent do not accept Ozawa's claim that he has never taken any illicit funds from companies.

The Cabinet approval rate stood little changed at 41.4 percent in the poll. In the previous poll conducted on Jan. 17-18, the Cabinet disapproval rate surpassed the approval rate for the first time at 44.1 percent to 41.5 percent.

Ozawa said Thursday he will remain in the post despite the indictment earlier that day of three secretaries — two former and one current — over alleged falsifications of annual reports for Ozawa's funds management body in connection with the 2004 land purchase in Tokyo.

The prosecutors decided not to indict Ozawa himself over the case, citing insufficient evidence showing his involvement in the report falsifications.

The poll showed that 22.8 percent think Ozawa should be allowed to continue serving in the party executive post and only 7.9 percent were convinced by Ozawa's claim that he has never received illicit funds.

As for Ozawa's former aide and House of Representatives lawmaker Tomohiro Ishikawa, who is among the three people indicted on a charge of violating the Political Funds Control Law, 69.1 percent said he should resign as lawmaker while 21.8 percent said he does not need to do so.

The Liberal Democratic Party and other opposition parties jointly submitted a draft resolution calling for Ishikawa's resignation as a Diet member following the indictment. Such a resolution, even if passed by the Diet, would not be legally binding.

(The Japan Times) Kan, Geithner hold talks at G-7

IQALUIT, Nunavut (Kyodo) Finance Minister Naoto Kan said Friday he discussed a range of "sensitive issues" with U.S. Treasury Secretary Timothy Geithner ahead of a meeting of the Group of Seven industrial powers.

But Kan told reporters he was asked by Geithner not to disclose the details of their talks, though noting that Japan and the United States shared views that the two countries face "sort of similar difficulties" in rebuilding economic growth and public finances.

Kan signaled that these sensitive issues include financial regulatory reforms, such as Washington's new proposal to limit the size of big banks.

"We exchanged views over a range of issues. But they are sensitive" and personal, Kan said at a hotel in the Canadian Arctic city of Iqaluit shortly after the bilateral meeting, which lasted for more than 30 minutes.

After the meeting, the U.S. Treasury Department released a statement, saying the two "discussed the critical importance of re-balancing and their mutual efforts to support growth and recovery in the wake of the global financial crisis."

This was the first face to face meeting with Geithner since Kan became finance chief in early January. The trip to Iqaluit also marked his debut at a major international meeting.

Kan said he told Geithner, "I'm a freshman as finance minister and I am pleased to meet you," at the outset of the bilateral meeting.

Asked whether the two finance chiefs touched on Toyota Motor Corp.'s recent massive vehicle recalls, Kan said he did not discuss "such specific topics.

(The Japan Times) Hatoyama vows to resolve territorial row with Russia

Prime Minister Yukio Hatoyama on Sunday expressed his determination to resolve a territorial dispute with Russia at an annual rally to press for the early return of four Russian-held islands off Hokkaido, describing settlement of the issue as "the biggest wish" of his administration.

"Resolving the issue of the Northern Territories is the biggest wish that I want to fulfill after the change of government," Hatoyama said, pledging to make all-out efforts toward realizing the desire of former residents to return to the islands.

Hatoyama also said the two countries' 1956 joint declaration "cannot be a conclusion" and that he would start by "clarifying to whom the four islands belong."

The Soviet-Japanese Joint Declaration, signed by then Prime Minister Ichiro Hatoyama, the premier's grandfather, restored diplomatic relations between the countries. The declaration stipulates that Shikotan Island and the Habomai islet group would be returned to Japan after the two countries conclude a peace treaty.

"There are various approaches (to resolving the dispute). There are big advantages for Russia if it gets closer to Japan, which is economically and technologically advanced," Hatoyama said, reiterating his plan to simultaneously promote economic exchanges and negotiations to settle the territorial dispute.

During his meeting with Russian President Dmitry Medvedev last year, Hatoyama said he would not accept the idea of settling the territorial dispute with the return of two of the four islands, which also include Kunashiri and Etorofu.

The rally is held every year in Japan to mark Northern Territories Day, which commemorates the conclusion of the Treaty of Commerce, Navigation and Delimitation on Feb. 7, 1855, in which Japan and Russia confirmed that the four islands are Japanese territory.

The Soviet Union occupied the islands, known in Japan as the Northern Territories and in Russia as the Southern Kurils, at the end of World War II.

Foreign Minister Katsuya Okada and Seiji Maehara, the minister in charge of issues related to Okinawa and the Northern Territories, also joined the rally attended by former Japanese residents of the islands.

(The Japan Times) Abbas begins Japan trip with visit to A-bomb museum

HIROSHIMA (Kyodo) Palestinian Authority President Mahmoud Abbas arrived in Japan on Sunday for a four-day visit as part of his Asian tour and visited Hiroshima for the first time.

After offering flowers at the cenotaph for the victims of the 1945 U.S. atomic bombing of the city, Abbas went to the Hiroshima Peace Memorial Museum and wrote in a visitors' book that his heart bleeds for the calamities of Hiroshima and Nagasaki, the other Japanese city to suffer an atomic bombing.

The Palestinian leader told reporters that the world should eliminate nuclear weapons and other weapons of mass destruction. He also said the Palestinians have been tormented by war and need support from other countries to achieve peace.

Abbas, who last visited Japan in May 2005, is scheduled to hold talks with Prime Minister Yukio Hatoyama on Monday and with Foreign Minister Katsuya Okada on Tuesday before heading for South Korea on Wednesday.

During the talks, the Japanese side is expected to formally notify the Palestinian leader of its intention to provide \$20 million in aid and build a solar power plant in the West Bank town of Jericho.

Tokyo is also likely to commit to providing support for the resumption of the Middle East peace process between the Israelis and the Palestinians, which remains in a stalemate.

(The Japan Times) DPJ's Ishikawa to stay on despite indictment

KUSHIRO, Hokkaido Pref. (Kyodo) Democratic Party of Japan lawmaker Tomohiro Ishikawa on Sunday expressed his intention not to resign as a lawmaker or leave the ruling party following his indictment on a charge of falsely reporting DPJ Secretary General Ichiro Ozawa's political funds, an official at the party's local branch in Hokkaido said.

Ryuji Ikemoto, acting president of the branch in the Hokkaido No. 11 constituency, from which Ishikawa was elected to the House of Representatives, said he told Ishikawa over the phone on Sunday that he does not need to step down or leave the party at this time.

The branch held an executives' meeting earlier in the day and agreed that whether Ishikawa should resign should depend on the outcome of his upcoming trial, according to Ikemoto, who added that Ishikawa responded by saying, "I will accept the voice of the constituency."

Ikemoto said he expects Ishikawa to stay on, revealing that the lawmaker called him Friday immediately after his release on bail and said he would continue doing his job.

Ishikawa, along with Takanori Okubo, an incumbent state-paid secretary for Ozawa and another former private secretary, were released on bail Friday following their indictment on a charge of violating the Political Funds Control Law. The three conspired in not properly recording the money flows at Ozawa's fund management body, according to their indictment.

(The Japan Times) Ministers need longer terms to build international presence: Kan

IQALUIT, Canada (Kyodo) Japanese Finance Minister Naoto Kan said Saturday that Cabinet members should serve for at least three or four years to give Japan more of a presence on the international stage.

"It would be difficult to engage in frank discussions" with other world leaders if ministers in Japan are changing over and over, Kan told a news conference after the two-day finance meeting of the Group of Seven industrial powers in Canada's far north.

Kan, who became Japan's finance minister in January, said this was the conclusion he had formed after attending the meeting, which marked his first major exposure to the international arena.

Kan, also deputy prime minister, is Japan's fourth finance chief in the space of about one year. He is regarded as a possible candidate to succeed Prime Minister Yukio Hatoyama, should the Democratic Party of Japan weather its recent decline in public support and sustain itself in power over the long term.

Asked whether he wants to remain in his new post for the next three or four years, Kan said he was not speaking about his personal situation.

"I'm saying in general terms that it would be preferable for anyone taking up a ministerial post to serve about four years," a period equal to a full term for House of Representative members, he said.

(The Japan Times) Advisory panel for Japan, China relations meets in Beijing

BEIJING (Kyodo) Intellectuals from Japan and China began a five-day meeting in China on Sunday to discuss ways to boost bilateral relations over the medium to long term.

The new Japan-China friendship committee for the 21st century, an advisory panel to the two governments, is scheduled to meet with Chinese Premier Wen Jiabao in Beijing on Monday, according to the Japanese Foreign Ministry.

The committee brings together eight Japanese and 12 Chinese experts in various fields. The Japanese delegation is led by Taizo Nishimuro, chairman of Tokyo Stock Exchange Group Inc., while former State Councillor Tang Jiaxuan heads the Chinese group.

The panel will move to Yangzhou, Jiangsu Province, following sessions in Beijing.

It is the panel's first meeting with a composition of new members.

The committee met eight times from 2003 to 2008 and compiled a set of recommendations to strengthen the two nations' strategic and mutually beneficial relations.

Japan and China set up the first Japan-China friendship committee for the 21st century in 1984 under an agreement between Japanese Prime Minister Yasuhiro Nakasone and Chinese Communist Party Secretary General Hu Yaobang.

(The Japan Times) Is Japan-bashing behind Toyota's U.S. woes?

Despite the criticism leveled against Toyota over car safety, Japanese still largely view the world's largest automaker with pride — so much so that some wonder whether pressure on Toyota in the U.S. is a ploy to boost American automakers and undermine Japan Inc.

"I think the Americans are going overboard," said Hirouki Komiya, 40, a Tokyo restaurant employee. "Maybe it's Japan-bashing, because the trouble at Toyota, which has the world's No. 1 share, is a big opportunity for its American rivals."

That notion may seem far-fetched to the millions of Toyota owners in the United States and around the world whose confidence in the company has made it the world leader — and are now simply worried about the safety of their cars.

The days of irrational fears of Japanese products that emerged during its economic boom of the 1980s are long gone. Toyota, Honda and Sony are some of the most-trusted brands in America. Toyota makes more of its cars and trucks in the U.S. than it imports there. Last month it had 14 percent of the U.S. market, third behind General Motors Corp. and Ford Motor Co.

Despite Toyota's problems, an ABC News poll taken at the end of January showed that 63 percent of Americans still rated Toyota favorably. The poll also found that 72 percent of

respondents saw the gas pedal problem as an isolated incident and the same percentage said it would have no effect on whether they consider buying a new Toyota.

The Jan. 28-31 telephone poll surveyed 1,012 people randomly across the U.S. before Toyota acknowledged a design flaw in the braking system in its popular Prius hybrid. The poll had a 4-point margin of error.

In Japan, public and media reaction to Toyota's problems has been rather muted, largely because there have been no recalls here — although there have been complaints about the Prius brakes.

Some in Japan have criticized Toyota as slow to respond to the safety problems and people acknowledge that the brand — and Japan's image — has taken a hit. But the prevailing mood is that Toyota — the flagship of Japan Inc. — has been unfairly singled out.

"Toyota is so big and famous, so it's an easy target," said Masahiro Yasunaga, a 24-year-old tech company employee.

"Its brand image has been hurt, but the media reports are too much."

GQ's Web site, for example, drew a parallel between the reversal of fortunes of Toyota and golfer Tiger Woods, whose image has been tarnished by extramarital affairs.

Some Japanese suspect U.S. political forces are behind the criticism of Toyota, coming at a time when the U.S. government owns 60.8 percent of General Motors following its bankruptcy reorganization.

Others in Japan say Toyota's sheer size made it hard to respond quickly to the crisis, which has involved recalling more than 7 million cars in the U.S., Europe and China over a sticky accelerator and floor mats that can get caught in the gas pedal.

"It's typical of a huge corporation, where everything had to go through a lengthy process," said Yumi Sato, 32, an operator of a customer call center. "I kind of sympathize with Toyota."

Japanese have periodically worried about the revival of Japan-bashing, which emerged during the country's rise as an export power in the 1980s, when U.S. politicians and automakers accused Japan of unfairly blocking access to its market and stealing American jobs.

That has subsided as Japanese companies moved factories to the United States and brands like Honda and Sony grew to be widely accepted by Americans, and as China has eclipsed Japan as the key challenger to U.S. economic supremacy.

But Japanese were concerned about a renewal of the sentiment when Toyota passed GM as the world's largest automaker in 2008.

That is not to say Toyota has escaped criticism at home.

Transport minister Seiji Maehara, who oversees auto regulation, has urged Toyota to consider a recall for the Prius brake problem and said the automaker needed to pay more heed to vehicle owners.

The leading financial paper Nikkei warned that Toyota should resolve the problems quickly, given that U.S. protectionism is rising, the newspaper contends, as the country heads into midterm elections.

"Foreign manufacturers could come under attack," it said in an editorial.

(The Japan Times) Hatoyama says Ozawa can stay

Prime minister 'wants me to continue giving my best'

Democratic Party of Japan kingpin Ichiro Ozawa on Monday was given the go sign to remain as the party's secretary general by Prime Minister Yukio Hatoyama despite mounting public calls that he step down over his fund management body's involvement in a shady Tokyo land purchase.

"I asked if I could remain in my current post, and the prime minister said yes, he wanted me to continue giving my best," Ozawa said during his first news conference since his former aide and DPJ lawmaker Tomohiro Ishikawa, along with two other current and former secretaries, were released on bail Friday following their indictment for violating the Political Funds Control Law.

Separately, Hatoyama told reporters he will not seek Ozawa's resignation from the ruling party's No. 2 post, although he also acknowledged that Ozawa is politically responsible for his aides' misreporting of his political funds.

The three aides were indicted for allegedly misreporting political funds involving Ozawa's fund management body Rikuzankai over a purchase of some land in Setagaya Ward, Tokyo. Prosecutors opted not to charge Ozawa due to insufficient evidence.

Apologizing for "the trouble" he caused the public, Ozawa said he believes he has fulfilled his duty in explaining to the public his role in the scandal.

"I've been subject to a criminal investigation and been questioned on two occasions by prosecutors, and this is the result — I believe that's enough to prove that I'm innocent," he said, blaming unfavorable reporting in the media for his poor rating in opinion polls.

"Now that it's proven that there weren't any irregularities on my part, I hope the media would report on my innocence," he said.

Hatoyama's endorsement came as the opposition launched a full-scale assault on Ozawa, pressuring Hatoyama to acknowledge Ozawa's responsibility for alleged misconduct.

"I believe (Ozawa) is feeling responsible for the arrests of the secretaries," Hatoyama said in response to a question by Liberal Democratic Party member Koichi Kato during a session of the Lower House Budget Committee.

"This is a personal matter, but obviously I think he has some liability," Hatoyama said.

LDP member Nobutaka Machimura criticized Hatoyama for the way he expressed support for Ozawa during the investigation by prosecutors, telling the Diet committee that the DPJ "is showing signs of arrogance" now that it is in power.

Asked to comment on the latest opinion poll results that show 70 percent of the public feels Ozawa should resign as DPJ secretary general, Hatoyama said earlier in the day that Ozawa will continue addressing the matter in the media if he deems it necessary.

New Komeito policy chief Tetsuo Saito questioned Hatoyama on DPJ lawmaker Tomohiro Ishikawa's decision not to resign despite being indicted in connection with the scandal.

Kenji Yamaoka, the DPJ's Diet affairs chief, has rejected holding a vote on a resolution calling for Ishikawa to quit, saying the Diet needs to focus on more pressing issues, such as passing the fiscal 2010 budget.

Saito criticized the prime minister, saying that putting off a decision on how to deal with Ishikawa "is the same as renouncing the responsibilities of a party chief."

Hatoyama replied that Ishikawa's arrest and indictment is a grave development, but the lawmaker should decide for himself whether stepping down is warranted.

Obama's meeting?

Ichiro Ozawa said Monday he has asked that the United States give "sufficient time" for President Barack Obama to meet with him if it wants him to visit the country.

The ruling party kingpin made the remark amid reports he is considering visiting the U.S. sometime around the Golden Week holidays after Kurt Campbell, the top U.S. diplomat for Asia, asked him to do so when they met in Tokyo last week.

"If I go over, I would expect that President Obama take sufficient time (to meet with me) and I made that request," Ozawa said.

He also said he would not engage in policy talks with U.S. officials during the visit, and the trip would be aimed at deepening ties between the DPJ and U.S. Democrats.

(The Japan Times) Abbas stresses resuming peace talks

Palestine President Mahmoud Abbas and Prime Minister Yukio Hatoyama agreed Monday in Tokyo that Israel and Palestine must quickly resume their stalled peace talks.

Hatoyama also vowed Japan's support for efforts by Abbas to seek a two-state solution through negotiations, officials said.

During a joint news conference after their meeting, Hatoyama praised Abbas' strong will to achieve peace in the Middle East.

"I called on Israel to completely freeze all settlement activities in the West Bank including East Jerusalem," Hatoyama said. "And at the same time, I asked the Palestinian government to continue its measures for cessation of violence against Israel to achieve peace."

Abbas stressed that the negotiations must be based on the 2003 performance-based road map presented by the United States, European Union, Russia and United Nations that calls for Palestine to end "all acts of violence against Israelis" and demands that Israel "freeze all settlement activity" and "take all necessary steps to help normalize Palestinian life."

During his meeting with Hatoyama, "I once again talked about the importance of achieving a comprehensive and impartial peace and establishing a Palestinian state, to become independent and found a state with East Jerusalem as the capital," Abbas said.

"And regarding the recent situation in the Middle East peace talks, especially on resuming the negotiations, I reaffirmed my position that it was necessary to resume negotiations based on the road map."

A Japanese group will be sent to study where support can be offered for building institutions and capacity, and to hold a high-level conference to discuss creating an independent state.

(The Japan Times) 14 prefectures oppose foreign vote

Fourteen prefectural assemblies have adopted statements against giving permanent foreign residents the right to vote in local elections since the Democratic Party of Japan took power last year.

Before the launch in September of Yukio Hatoyama's administration, 31 prefectural assemblies took an affirmative stance, but six of them have since turned against it.

Hatoyama has gone on record supporting giving foreigners local voting rights.

Opposition to the notion has been growing, with local assembly members, including those belonging to the main opposition Liberal Democratic Party, pressing for the adoption of statements expressing disapproval.

The administration is considering submitting a bill that would grant local suffrage to permanent residents, and DPJ Secretary General Ichiro Ozawa has expressed hope it will be passed by the Diet during the current session.

(The Japan Times) Give activists fair trial, Greenpeace demands

JAKARTA (Kyodo) Greenpeace activists staged a protest outside the Japanese Embassy in Jakarta on Monday to call for a fair trial of two of their colleagues in Japan who were arrested after exposing the alleged smuggling of whale meat under a government-sponsored research whaling program.

"Fair trial! Respect international human rights law!" said banners in English and Japanese carried by a Greenpeace activist during the silent protest, one of several vigils to be held this week outside Japanese embassies around the world.

Greenpeace Southeast Asia campaigner Arif Fiyanto delivered a letter addressed to the Japanese ambassador urging a fair trial for the two members of Greenpeace Japan, Junichi Sato and Toru Suzuki.

They are scheduled to stand trial Feb. 15 for trespassing and stealing a 23-kg package of whale meat in April 2008.

"Junichi and Taro acted in the public interest to expose a scandal that involved corruption in the taxpayer-funded whaling program," Fiyanto said.

Greenpeace insists the pair have been unfairly charged.

Last month, the Working Group on Arbitrary Detention, a U.N.-mandated body operating under the Human Rights Council in Geneva, found that the Japanese government had breached a series of internationally guaranteed human rights in detaining the two activists.

The government reacted to that finding by saying that while every one has the right to express his or her opinion, no one is allowed to commit a crime for the purpose of self-expression.

Sato and Suzuki allegedly entered a depot at Seino Transportation Co.'s Aomori branch on April 16, 2008, and removed a 23-kg package of whale meat sent by a crew member of the whaling ship Nisshin Maru.

According to Greenpeace, the two men were conducting an investigation following allegations that crew members taking part in the scientific program were engaged in the systematic smuggling of whale meat.

In the course of their investigation, Sato and Suzuki allegedly discovered strong evidence that cardboard boxes containing whale meat were being secretly shipped to the homes of whaling fleet crew and then sold for personal profit.

Sato delivered a box of the whale meat to the Tokyo District Public Prosecutor's Office in May 2008 and filed a report of smuggling.

The investigation was dropped on June 20 of that year, with the prosecutors saying the Nisshin Maru distributed the whale meat to crew members as a bonus. The same day, the two activists were arrested and held for 26 days before being charged.

The two activists admitted entering the Seino office and taking the package, but they denied doing anything unlawful, insisting they took the meat to obtain evidence of smuggling by members of the whaling crew.

They face up to 10 years if found guilty.

(The Japan Times) Seoul presses for royal documents

SEOUL (Kyodo) Seoul is working to secure the handover of hundreds of volumes of Korean royal documents, including official records of the royal family, that were looted during Japan's 1910-1945 colonial rule of the Korean Peninsula, Yonhap News Agency reported Monday.

A South Korean official said a request for the handover of the royal documents may be filed as early as this week when Foreign Affairs and Trade Minister Yu Myung Hwan holds talks with Foreign Minister Katsuya Okada, who will make a two-day visit to South Korea starting Wednesday.

But spokesman Kim Young Sun told reporters later Monday, "It has not been decided whether the issue of cultural properties in Japan will be brought up during Foreign Minister Okada's visit to South Korea."

The official quoted by Yonhap said the government had "recently confirmed that (Japan's) Imperial Household Agency is safekeeping hundreds of volumes of royal documents of the Joseon Dynasty (1392-1910)."

The documents include 375 volumes of books believed to describe various aspects of Joseon Dynasty life, from its customs and medical science to the history of its military, as well as books used in the education of the royal family, the official said.

(The Japan Times) Minke population not growing: U.S. study

The population of Antarctic minke whales has not increased even though larger whales they competed with for food were whittled down by hunting, according to a recent study by U.S. researchers, countering arguments Japan cites as a reason for conducting lethal research.

The Fisheries Agency and researchers have hypothesized that Antarctic minke whales may have increased as a result of lesser competition for the krill they feed on.

But researchers at Oregon State University and Stanford University calculated that the population size in the early 20th century was roughly 670,000, a figure similar to or slightly larger than current estimates from surveys of sightings.

They analyzed genetic diversity of minke whales by purchasing 52 meat samples in Japanese markets to project the population number, according to the study published in the journal *Molecular Ecology*, posted online in December.

Scott Baker, a researcher at Oregon State University who conducted the analysis, said the latest results indicated the hypothesis by some scientists that the population has increased by three-fold to eight-fold over the last century is wrong.

The Fisheries Agency has said in promoting the lethal research that there are calls for "thinning" Antarctic minke whales because that species could be hindering the recovery of the blue whale population.

Sea Shepherd clash

The antiwhaling group Sea Shepherd Conservation Society obstructed the activities of a Japanese whaling ship Monday in the Antarctic Ocean by pointing laser lights and discharging water at it, the Fisheries Agency said.

No one was injured during the protest over the research whaling, according to the agency.

At around 7 a.m. Japan time, the *Nisshin Maru*, the mother ship of the whaling convoy, was sandwiched by two Sea Shepherd boats and subjected to laser lights and water spray, according to the agency.

The *Nisshin Maru* issued warnings through loud speakers, it said.

The incident followed a collision between a whaling ship and a Sea Shepherd vessel Saturday.

Australia and New Zealand have called for restraint from both sides, with the antiwhaling activists deploying laser devices and stink bombs, and the Japanese fleet operating military-style acoustic weapons.

(The Japan Times) NGOs air concerns over strife in Gaza Strip

Japanese nongovernmental organizations and Diet members expressed serious concern Tuesday over the conflict-ravaged Gaza Strip, urging the government and the international community to be more proactive in working toward peace in the Middle East.

The event, cohosted by several human rights groups, including Amnesty International Japan and Human Rights Now, was held while Palestinian President Mahmoud Abbas was in Japan for meetings with Prime Minister Yukio Hatoyama and Foreign Minister Katsuya Okada.

Kazuko Ito, secretary general of Human Rights Now, stressed that the International Human Rights Law may have been violated during fighting in the Gaza Strip between December 2008 and January 2009. According to the organizers, the conflict ended in the death of about 1,400 people, of whom only 13 were Israelis.

"It is said that out of the 1,400 casualties, many of them were women and children, innocent civilians," Ito said during the meeting. "There is suspicion that (the conflict) was a serious violation of the Geneva Conventions and a war crime. But despite the number of deaths, no one has been held responsible."

In response to the Gaza conflict, the U.N. Human Rights Council has adopted two resolutions, beginning with one in January 2009 that strongly condemned the Israeli military operation and demanded that it immediately withdraw its troops from Gaza and open the borders to allow humanitarian aid to get in.

The resolution, which included the dispatch of an independent fact-finding mission, was adopted by 33 nations, including Russia, Jordan, China and Egypt, but Japan and 12 other countries abstained from voting.

Foreign Ministry official Mitsuko Shino, who was also present at Tuesday's meeting, explained that while Tokyo was disappointed that the conflict in Gaza resulted in many casualties and echoed the necessity of finding out what really happened, she pointed out that the U.N. resolution had already pointed its finger at Israel.

"What we found to be a problem in the resolution was that even before the fact-finding mission went to investigate, it already hinted who was to blame," Shino argued.

(The Japan Times) Aid for Somalia

Foreign Minister Katsuya Okada has told his counterpart from the Somali transitional government that Japan will offer \$35.2 million for police assistance, infrastructure maintenance and other purposes, a Foreign Ministry official said.

Prior to talks Monday in Tokyo, Ali Ahmed Jama Jangeli, minister of the Somali transitional federal government that was established in 2005, called for Japan's help in ensuring security in

the country, which is a hotbed of Islamist rebels and pirates. Somalia has been wracked by violence for the past 20 years following the collapse of the government in 1991.

Japan has dispatched vessels to engage in antipiracy operations in the region but does not recognize the transitional government because it is yet to establish effective control over the country.

Of the assistance Japan plans to offer through international organizations, \$10 million is intended for police assistance and the remaining \$25.2 million is for infrastructure maintenance and humanitarian aid.

(The Japan Times) U.S. friends in high places involved in Toyota probe

WASHINGTON — Toyota has friends in high places in Washington, including some of the very people now investigating the carmaker.

The company has sought to sow good will and win allies with lobbying, charitable giving, racing in the American-as-apple pie NASCAR series and, perhaps most important, creating jobs.

Lawmakers on the committees investigating Toyota's massive recall represent states where Toyota has factories and the coveted well-paying manufacturing jobs they bring. Some members of Congress have been such cheerleaders for Toyota that the public may wonder how they can act objectively as government watchdogs for auto safety and oversight. The company's executives include a former employee of the federal agency that is supposed to oversee the automaker.

Will Toyota's connections pay off as it tries to minimize fallout from its problems?

The Senate's lead Toyota investigator, West Virginia Democrat Jay Rockefeller, credits himself with lobbying Toyota to build a factory in his state. A member of a House investigating panel, California Rep. Jane Harman, represents the district of Toyota's U.S. headquarters and has financial ties to the company.

Rockefeller, chairman of the Senate Commerce, Science and Transportation Committee, has known Toyota's founding family since the 1960s. He was so closely involved with Toyota's selection of Buffalo, W.V., for a factory that he slogged through cornfields with Toyota executives scouting locations and still mentions his role in the 1990s deal to this day.

"By the time Toyota decided to make Buffalo its new home," Rockefeller said in 2006 on the plant's 10th anniversary, "I felt like a full-fledged member of that site selection team."

Rockefeller's committee is expected to review whether the National Highway Traffic Safety Administration acted aggressively enough toward Toyota. The agency's new chief, David L. Strickland, worked for eight years on Rockefeller's committee as a lawyer and senior staffer.

Strickland has such close relationships with Rockefeller and other senators that Republican Sen. George LeMieux of Florida asked Strickland at his confirmation hearing two months ago whether he could disagree with Rockefeller, his former boss: "The oversight for you in your role will be from the committee that you once served on," LeMieux told him.

"I will be honest with you, sir," Strickland answered. "I've had disagreements with the chairman personally. But he signs the paycheck, and he wins. But I will have no problem with that at all, sir."

Rockefeller sees no reason to step aside from his committee's investigation. Consumer protection is a cornerstone of his work as chairman and that is reflected in the steps he and the committee are taking, including NHTSA briefings and plans to hold hearings and seek recall-related documents, Rockefeller spokeswoman Jamie Smith said.

"While this important work proceeds, Sen. Rockefeller is encouraged that Toyota is making every effort to minimize the impact on its U.S. workforce, especially during these difficult economic times," Smith said. "He hopes and expects that Toyota will remain a strong company and is capable of getting back on the right track with safety and consumer confidence."

Toyota's U.S. operations are based in Torrance, Calif., in Harman's district. She serves on the House Energy and Commerce Committee, which is probing the recall.

Harman and her husband, Sidney, held at least \$115,000 in Toyota stock as of her most recent financial disclosure report. The company to which the couple owes much of their multimillion-dollar fortune, Harman International Industries, founded by Sidney Harman, sells vehicle audio and entertainment systems to Toyota. The two companies teamed up on a charitable education project in 2003, when Sidney Harman was Harman International's executive chairman. He retired from the Harman board in December 2008.

When leading Toyota engineer David Hermance died in a 2006 plane crash in California, Rep. Harman took to the floor to pay tribute, calling Hermance the "Father of the American Prius."

"It was David's passionate approach and commitment to the environment that helped persuade a skeptical industry and auto-buying public to appreciate the enormous potential of his work," Harman said at the time. "In fact, Madam Speaker, my family drives two hybrid vehicles — one in California and the other in Washington, D.C."

Harman didn't respond to a request for comment.

Several other lawmakers on investigating committees also represent states with Toyota factories, including Missouri, Texas, Mississippi, Michigan, Indiana and Kentucky. Toyota says it employs

nearly 36,000 people in the U.S. and indirectly employs about 166,000 people at dealerships and suppliers.

Republicans also have spoken of Toyota's importance to their states. "Kentucky is still reaping the rewards of its 20-year partnership with Toyota, and we hope to continue to do so for years to come," Senate Republican Leader Mitch McConnell of Kentucky said in marking the 2006 anniversary of a Toyota plant there.

Still, Toyota has a long way to go to win the wholesale affection of Congress. Democrats criticize it for nonunion shops. Some lawmakers suggest it benefits from unfair Japanese trade policies at the expense of automakers they consider American, such as Ford and General Motors.

Toyota has tried hard to be thought of as an American brand. Its efforts include trying to become part of the nation's car culture.

In recent years it broke into the highest ranks of the beloved U.S. sport of auto racing, fielding cars in NASCAR races in front of millions of die-hard fans. Popular driver Rusty Wallace announced in November that his team would race in Toyotas starting with the 2010 season.

Its U.S. charity doles out millions each year, sometimes in photo opportunities with politicians. It gave \$5.6 million to charitable causes from mid-2007 to mid-2008, much of it focused on education and the environment, according to its most recent report. Toyota promised former President Bill Clinton's charity that it would spend \$496,000 to sustain forests in the southern United States.

"Words cannot express the generosity that Toyota has shown Kentucky through industry job opportunities and community service," Sen. Jim Bunning, a Kentucky Republican, said in a 2006 Senate speech.

Toyota's lobbying spending in Washington has risen as its U.S. sales have. Toyota spent \$5 million last year lobbying on such issues as industry regulation, energy, labor laws, patents, trade, taxes and government contracting. That's more than five times what it spent a decade earlier, when one of its lobbying reports acknowledged that its mission included "reducing unnecessary regulations." It is active in several trade associations that lobby, including the National Association of Manufacturers.

Its Washington team is well connected.

Its main liaison to the federal government on vehicle safety issues is Christopher Tinto, who worked for several years in NHTSA's Office of Defects Investigation as a vehicle defect investigator and in its Office of Vehicle Safety Standards, where he mostly worked on heavy-truck braking standards.

Among its lobbyists is Josephine Cooper, who was chief executive of the Alliance of Automobile Manufacturers, an industry coalition to which Toyota belongs, and who also worked

at the Environmental Protection Agency and as an aide to ex-Vice President Dick Cheney when he was in Congress.

Its lobbyists also include Tom Lehner, who was an aide to five senators and was the Democratic Senatorial Campaign Committee's treasurer. Another lobbyist, Robert Chiappetta, organizes an annual event in which Toyota sends employees to Washington to lobby Congress and he was a delegate for then presidential candidate Barack Obama at the 2008 Virginia Democratic Party Convention.

Toyota recently retained Quinn Gillespie & Associates, a well-connected, bipartisan lobbying and public affairs firm that will help Toyota try to contain the damage in Washington. On its Web site, the firm promises to "limit damage to reputation." Toyota has also retained the Glover Park Group, a Democratic public affairs-lobbying firm, for crisis management.

(The Japan Times) Hiroshima will reassess reach of 'black rain'

HIROSHIMA (Kyodo) The Hiroshima Municipal Government said Tuesday it will re-examine the extent of the radioactive "black rain" that fell after the 1945 U.S. atomic bombing of the city.

The two-year study beginning in April is the first such review in about 20 years, the city said.

Using computerized weather simulations, the analysis aims to provide new evidence to the city and atomic bomb survivors in their efforts to persuade the central government to offer more free medical checkups to people who were exposed to the contaminated rain, according to officials.

A large-scale survey of atomic bomb survivors in 2008 indicated that black rain may have fallen in an area at least double the size designated by the central government.

The municipal government said it has budgeted about ¥9.8 million for the study in its initial plan for fiscal 2010, which begins in April.

A panel of experts set up in 1988 by the city and the Hiroshima Prefectural Government concluded in 1991 that the area affected by black rain was almost identical to that identified by the central government.

The finding has since been questioned by other experts, including meteorologists, who pointed out problems with the model, including the altitude of the atomic cloud and the quantity of radioactive materials produced by the Aug. 6, 1945, explosion.

The new study will start by discussing with experts those variables and others, such as the weather on the day of the bombing and the drifting of smoke from fires, officials said.

Antinuclear meeting

NAGASAKI (Kyodo) An international antinuclear conference in Nagasaki has urged countries with nuclear arms to halt further development of the weapons.

The fourth Nagasaki Global Citizens' Assembly for the Elimination of Nuclear Weapons ended Monday by adopting the "Nagasaki Appeal," which also asked world leaders, including U.S. President Barack Obama, to visit Hiroshima and Nagasaki to see the aftermath of the A-bombs.

(The Japan Times) Occupation censored Unit 731 ex-members' mail: secret paper

A public document has recently come to light that shows the U.S. military ordered Occupation authorities to censor the mail of former members of Unit 731, the Imperial Japanese Army section that conducted bacterial warfare experiments on people, a Tokyo-based historian said.

The document, stamped "secret," was discovered by Taketoshi Yamamoto, a professor of media history at Waseda University in Tokyo, from a microfilm archive at the National Diet Library.

The document was sent from the U.S. Army to the private censorship bureau of the U.S.-led Occupation authority on Feb. 15, 1946.

The document lists the names and addresses of 12 Japanese whose mail should be censored, including former Unit 731 commander Lt. Gen. Shiro Ishii and Kanji Ishihara, a former army officer who plotted the Manchurian Incident in 1931.

It also lists the names of nine other former Unit 731 members with medical backgrounds whose address were not known to the authority. They had worked at facilities of the notorious unit.

According to Yamamoto, the U.S. military granted immunity to former Unit 731 members in exchange for receiving data on bacterial warfare, including information on live experiments.

"Censorship may have been needed for the U.S. to give the immunity to Unit 731, checking if they were planning any retaliation against the U.S. or not," Yamamoto said.

"Few lists of people (that Occupation authorities) watched (for security reasons) are left today. This is precious material, which shows the U.S. secretly conducted censorship," he said.

A message ordering the document's destruction can still be read on a corner of the paper.

Unit 731, launched in 1936, was based in the outskirts of Harbin, northeastern China.

The unit secretly studied and developed bacterial weapons by conducting tests on Chinese and Russian prisoners.

The number of victims is believed to exceed 3,000.

Unit 731 spread the pest bacillus during the war with China and planned in vain to stage an attack against the U.S. during the closing days of World War II.

After the war, the unit blew up most of its facilities in a bid to destroy evidence of its weapons and experiments.

(The Japan Times) Stowaway stirs worry over air security

A body found in the landing-gear bay of a Delta Air Lines Inc. jet that flew to Narita International Airport from New York may spur a fresh review of U.S. aviation security.

Lack of oxygen or hypothermia probably killed the stowaway, said a police official at Narita who asked not to be identified because of department policy. The dark-skinned male corpse in civilian clothes with no identification was discovered Sunday, the police official said.

The case highlights a possible weak spot in the safety crackdown ordered after a failed attempt to blow up a Detroit-bound Delta flight on Dec. 25. Tarmacs are supposed to be protected against intruders, so a man climbing onto the plane would have breached security wherever the incident began.

"If a person can gain access to get in the wheel well, a person can gain access to plant a device on the airplane," said Douglas Laird, a former Northwest Airlines Corp. security chief who is now president of consultant Laird & Associates Inc. "It's a major concern."

The FBI is working with Japanese authorities to identify the dead man, and "we're trying to figure out when and where he got on the plane," said Jim Margolin, a New York-based spokesman for the agency.

Flight 59 left New York's John F. Kennedy Airport at 12:53 p.m. Saturday and landed at Narita airport at 4:50 p.m. Sunday, said Susan Elliott, a spokeswoman for Delta. The plane was a Boeing 777 wide-body jet.

Delta, the Federal Aviation Administration and the Port Authority of New York and New Jersey, which runs Kennedy airport, are cooperating with Japanese officials, spokesmen said.

The Transportation Security Administration "is working closely with the FBI and the Port Authority to review the incident and will take the appropriate action necessary," Greg Soule, an agency spokesman, said in an e-mail.

The incident probably involved a stowaway and wasn't a terrorist attempt, said Richard Bloom, director of terrorism and security studies at Embry-Riddle Aeronautical University in Prescott, Ariz.

(The Japan Times) Indicted lawmaker Ishikawa to quit DPJ

Outcry over Ozawa scandal role forces about-face

Democratic Party of Japan lawmaker Tomohiro Ishikawa, who has been charged with misreporting money in DPJ Secretary General Ichiro Ozawa's fund management body, plans to leave the party, possibly Friday, a DPJ source said Wednesday.

Ishikawa, 36, had said Tuesday in his home district of Obihiro, Hokkaido, that he would not resign as a lawmaker or leave the ruling party, but reversed his position apparently because of criticism in and out of the party.

The Lower House member was indicted last week over falsifications in the political funding statement of Rikuzankai, Ozawa's fund management body, for 2004, when he was a private secretary to the embattled DPJ kingpin.

Ishikawa's departure could renew calls for Ozawa to make some gesture of accepting responsibility, because prosecutors have questioned him twice over the case and he has admitted he held a supervisory role.

Ozawa has repeatedly indicated he is responsible for the case, telling reporters Monday, "It's natural for a person at the top to bear (ultimate) responsibility."

Prosecutors, however, do not plan to pursue charges against him due to lack of evidence.

The Liberal Democratic Party and other opposition parties plan to grill Prime Minister Yukio Hatoyama, who doubles as DPJ president, and Ozawa, who holds the party's No. 2 post, over their political and moral responsibilities for the funds scandal both are embroiled in.

The wrangling is likely to affect Diet debate on the fiscal 2010 budget, which the Hatoyama administration hopes will be passed before the start of the new fiscal year April 1.

The DPJ source said Ishikawa spoke of his intention to leave the party over the phone Tuesday.

A senior DPJ lawmaker close to Ozawa said Wednesday Ishikawa's departure is unavoidable.

Meanwhile, the Social Democratic Party, one of the DPJ's junior coalition partners, said Wednesday at a meeting of standing officers it will demand that Ishikawa appear before the Lower House Deliberative Council on Political Ethics.

The SDP plans to consider what to do with the opposition-proposed resolution recommending Ishikawa's resignation as a Diet member after hearing what the lawmaker has to say, an SDP member said.

The SDP also confirmed plans not to call on Ozawa to attend the panel but to leave the decision up to him.

Ishikawa was first elected to the Lower House in 2007.

(The Japan Times) Edano tasked with polishing Cabinet's image

Democratic Party of Japan lawmaker Yukio Edano was appointed the new administrative reform minister Wednesday, as the Hatoyama administration works to clean up the Cabinet's scandal-tainted image.

Edano, 45, was a key figure in the government task force set up late last year that succeeded in trimming ¥677 billion from the previous administration's budget. He is one of the few DPJ lawmakers to have openly criticized DPJ Secretary General Ichiro Ozawa over his dubious political funding.

"In order for the DPJ to regain the public's trust and maintain it, I wanted (Edano) to be in charge (of administrative reform) as soon as possible," Prime Minister Yukio Hatoyama told reporters.

Edano "was a central figure in the waste-cutting process. It is vital that the second round of operations be launched" soon under his management, Hatoyama said.

Edano, who was widely expected to become a special adviser to the prime minister, will instead take over from Yoshito Sengoku as reform minister. Sengoku had been doubling as minister for national strategy but will now focus solely on that task.

During his inaugural news conference, Edano said the Cabinet's focus is on passing the fiscal 2010 budget in the current Diet session but added he is ready to push his reforms as soon as the stage is set.

"I will handle my job from the public's viewpoint, focusing on effective use of tax money. I know the public has very high expectations," Edano said. "Once the fiscal budget plan clears the Diet, the second round of waste-cutting will begin as soon as possible."

While it is unclear how Edano's appointment will affect Hatoyama's relationship with Ozawa, the prime minister told reporters Ozawa had no problem with the move.

"I spoke with Secretary General Ozawa the day before yesterday about the issue. He said he has no objections whatsoever," Hatoyama said.

Although Edano avoided directly criticizing Ozawa over the funds management scandal at the news conference, the former DPJ policy chief said his stance remains unchanged regardless of where he serves in the government.

"It is up to the public to decide whether Mr. Ozawa has sufficiently explained" the details of the scandal, he said.

Wednesday's appointment comes a month after the resignation of Finance Minister Hirohisa Fujii.

Fujii's post was taken over by Naoto Kan, whose previous role as national strategy minister then fell to administrative reform minister Sengoku.

"The Cabinet needs to reinforce its control and power as we launch organizational reform in the upcoming fiscal year," said Chief Cabinet Secretary Hirofumi Hirano in explaining Edano's appointment, adding Edano he has already proved his abilities through his role in the budget task force.

Edano and Hatoyama both attended an attestation ceremony at the Imperial Palace earlier in the day. Following the appointment, the Cabinet is now at the legal maximum of 17.

Edano is serving his sixth term in the Lower House.

(The Japan Times) Allies to air Futenma ideas

Okinawa site not seen as SDP, Kokumin Shinto relocation option

The two junior partners in the ruling bloc will present their relocation proposals for the U.S. Futenma airfield on Feb. 17, said the government committee trying to find alternatives to the current plan.

The presentation will follow a two-day trip by panel members to Guam that started Wednesday to inspect U.S. military facilities on the Pacific island, said Mikio Shimoji, the policy chief of coalition member Kokumin Shinto (People's New Party).

While Shimoji's party and the other junior partner, the Social Democratic Party, which advocates moving Futenma's operations from Ginowan, Okinawa Prefecture, to Guam, will present their proposals during the meeting next week, the ruling Democratic Party of Japan will not offer a plan of its own, a panel member said.

Prime Minister Yukio Hatoyama, the DPJ president, has said a final decision will be reached by the end of May. The committee plans to come up its ultimate proposal by next month so the government can begin making arrangements with the United States and the local government that would host the replacement facility.

It remains unclear, however, whether the administration will be able to proceed as planned given that the U.S. has maintained that the existing agreement to move the facility to the Henoko district of Nago in a less populated part of Okinawa is the best option.

The panel's fact-finding mission is to include visits to Andersen Air Force Base and other installations on Guam. Prior to this, Shimoji and another panel member, SDP policy chief Tomoko Abe, were to visit Tinian Island in the Northern Mariana Islands.

The transfer of about 8,000 marines from Okinawa to Guam is planned under a 2006 bilateral agreement on the realignment of the U.S. military in Japan and is linked to the 2014 completion of a new facility in Nago to take over Futenma's aircraft operations.

Shimoji said Tuesday he plans to present two proposals at the next meeting, neither of which will seek to relocate Futenma to Henoko.

Nor will his proposals leave the Futenma facility as is, said Shimoji, a Lower House member representing a district in Okinawa.

An opponent of relocating the base to Nago won the city's mayoral election last month, adding pressure on the administration to find an alternative site.

Chaired by Chief Cabinet Secretary Hirofumi Hirano, the panel includes Shimoji, Abe and several DPJ lawmakers serving in senior government positions.

(The Japan Times) Mariana chiefs happy to reap all of Futenma

HAGATNA, Guam (Kyodo) The Northern Mariana Islands, the U.S. commonwealth including Tinian, is willing to host the whole U.S. Marine Corps Air Station Futenma now in Okinawa, local leaders said Wednesday, citing the economic benefits.

While the commonwealth governor, Benigno Fitial, did not specify which region may be the prime candidate site, Tinian Mayor Ramon M. Dela Cruz told Kyodo News earlier in the day that his island can accept the marine units.

"We welcome anything that will benefit the commonwealth," Fitial told reporters on Saipan after discussing, with Japanese ruling bloc legislators handling the Futenma base issue, the feasibility of hosting the units in the Pacific, especially on Tinian.

Fitial said relocating the base to the commonwealth would "invite the economic benefit in terms of employment . . . most importantly, economic benefit that will be received from the lease of the land."

The governor meanwhile said he realizes full backing of the U.S. government is indispensable to his future hope to push ahead with the idea.

He met with legislators from the Social Democratic Party's Tomoko Abe and Mikio Shimoji of Kokumin Shinto (People's New Party), both policy chiefs of the coalition partners of the ruling Democratic Party of Japan.

(The Japan Times) LDP struggling in vain to rebuild

Stuck in a rut with no ideology

Taking the podium last month at the Liberal Democratic Party's first convention since its fall from power at the hands of voters last summer, Katsuya Nomura, former manager of the Tohoku Rakuten Golden Eagles baseball team, had a few words of advice for the LDP.

"Victory can come unexpectedly, but when you lose, there's always a good reason," the legendary skipper and catcher said. "Never forget that when you're at the top, there's always those looking to pull you down."

Nomura's advice must have hit a sour note for the political behemoth that ruled Japan for more than half a century but was ousted by a public anxious over the future and fed up with a party dogged by scandals and internal disarray.

Experts agree that much time and effort will be required for the fallen giant to stage a comeback as it strains to redefine itself in opposition mode, and with its connections to the nation's powerful institutions suddenly cut off.

Jun Saito, an associate professor of political science at Yale University, said the LDP's long dominance made it a party of perverse accountability, where the voters, rather than the party, were held accountable by showing their loyalty to the party.

"The LDP wielded a divide and conquer strategy toward its supporters," Saito said.

"Instead of buying off voters by actually providing them with benefits, the party retained its support by (implied) threats of voiding entitled benefits," Saito said, adding this eventually led to a loss of democratic accountability at the national level and a general disenchantment among supporters that finally brought on a regime change.

The LDP ruled like a political machine with a tight backstage network of links with the corporate sector and national bureaucracy.

That system, despite being prone to corruption, was credited with helping Japan's postwar economic growth and the creation of a stable middle class.

But with the burst of the bubble economy in the early 1990s and the end of lifetime employment, a widening income gap and an aging population, the LDP found itself in a hole, unable to adapt to the changing times.

The LDP over the last two decades gradually lost its grip over organized voters with vested interests, such as construction companies and rice farmers, as economic growth slowed and the people's needs and desires diversified.

In the book "2009 — Reason's Behind the Regime Change," Aiji Tanaka, a political science professor at Waseda University, pointed out this was also evident in how the increasing number

of independent voters, having no fixed party affiliation and a proclivity to sudden changes in voting patterns, were key in both the LDP's win in the 2005 Lower House election and the DPJ's landslide victory last August.

Tanaka wrote that despite the LDP's eroding support base, it was able to maintain a Lower House majority for a long time because of a general decline in voter turnout, which magnified the value of the LDP's organized votes, and because of the party's alliance with New Komeito.

"But this also indicated that the LDP's odds of winning declined substantially once voter turnout increased and unorganized voters began turning out in droves to polling stations," he wrote, concluding the LDP was destined to lose control of the all-important Lower House sooner or later.

A declining voter turnout notwithstanding, the LDP's 2005 poll win was unique in that its leader, then Prime Minister Junichiro Koizumi, was immensely popular with voters, as were his reforms, charisma and efforts to oust party elements who opposed him. Voter disenchantment set in after he departed and three LDP successors replaced him without a popular mandate and worked to undo many of his reforms, and doing so as the economy tanked.

Saito said now that the LDP is in the opposition, the party — which never retained any concrete ideology — will need to redefine what it stands for.

The LDP's new platform emphasizes the importance of being a conservative party "constantly striving for improvement," but what this exactly means remains unclear.

"If it aspires to be a conservative party, (members) will need to clarify what they stand for and who they represent," Saito said, adding that " 'conservatism' for the LDP had little to do with political ideology, but more about 'conserving' its traditional support base."

However, with its funds drying up and support among voters still in the tank, the party's future appears anything but promising.

The number of party members shrunk to 1.05 million in 2008 from a peak of 5.47 million in 1991, and its recent fall from power has accelerated this trend, hurting the wallets of prefectural LDP chapters whose income partially depends on the ¥4,000 annual membership fee.

The amount of political subsidies from the government has also suffered a cut with the LDP's loss of more than 170 Lower House seats last summer. It is estimated the party will receive roughly ¥10.3 billion this year, down ¥3.6 billion from 2009.

And even though the current administration is getting rocked by money scandals involving Prime Minister Yukio Hatoyama and Democratic Party of Japan kingpin Ichiro Ozawa, public support for the LDP isn't improving.

A media poll in late January showed support for the DPJ at 30 percent, down 5 percentage points from a month earlier, but the LDP's support remained mired an anemic 16 percent. The people jumping off the DPJ bandwagon aren't finding an attractive alternative in the LDP.

But what might be hurting the LDP most is the simple fact that it is now in the opposition.

Organizations such as the Japan Dentists Federation and the National Land Improvement Federation, traditional LDP vote-gathering machines, have already begun to shift their allegiance to secure money from the Hatoyama administration.

In the financial world, Fujio Mitarai, chairman of the Japan Business Federation (Nippon Keidanren), was notably absent from the LDP convention, arousing speculation the pre-eminent business lobby may be trying to distance itself from the LDP.

Koichi Nakano, a political science professor at Sophia University, said that in these hard economic times it is only natural for organizations to concentrate their support on the ruling party.

"The incentive to support an opposition party is notably decreasing," Nakano said.

Now that it was out of power and no longer able to rely on support from former coalition partner New Komeito, experts agree the LDP's prospects for the Upper House election this summer are grim.

New Komeito's newly elected chief, Natsuo Yamaguchi, has clearly indicated his main focus is on rebuilding his party — which suffered a loss of 10 seats in the last general election — instead of pursuing continued ties with the LDP.

There may also be good reason to believe that New Komeito, backed by Japan's largest lay-Buddhist organization, Soka Gakkai, may want to deepen its ties with the DPJ.

Saito of Yale University said New Komeito's losses were due in no small measure to its alliance with the LDP.

"The policies implemented by the LDP-New Komeito coalition were not consistent with the economic interests of the party — especially the Soka Gakkai members, most of whom belong to the lower income bracket," Saito said, adding that the coalition's proactive foreign policy also betrayed New Komeito supporters' expectations of it being a pacifist party.

New Komeito also supports granting permanent resident foreigners with the right to vote in local-level elections, a policy the DPJ supports but the LDP is against.

Saito said New Komeito may look at the DPJ as a potential coalition partner unless it calculates that siding with the LDP would be more beneficial.

But heading into the Upper House election, the LDP's policy failures may ironically be the primary source of the DPJ's problems.

"The government deficit and the hilariously big outstanding debts are constraining the DPJ's capability to deliver the policy they promised to the voters," Saito said.

"If the DPJ fails to win the election, the single most important contributing factor would be the past policy blunders by the LDP."

Nakano of Sophia University said the worst case scenario in the election could be if both the DPJ and LDP lose seats while small independent parties like Yoshimi Watanabe's Your Party gain seats riding a reform message.

"In either case, the LDP is not in a situation to go on the offensive," Nakano said. "The issue is how well they can hold out."

(The Japan Times) Mr. Hatoyama's bold move

In a bold and surprising move, Prime Minister Yukio Hatoyama Wednesday appointed Mr. Yukio Edano, a 45-year-old Democratic Party of Japan Lower House member, as administrative reform minister. Mr. Edano, well-versed in policy matters, is highly qualified as a government waste-cutter. His joining the Cabinet will not only lighten the burden of Mr. Yoshito Sengoku, who has doubled as administrative reform minister and national strategy minister, but also help strengthen the Cabinet's overall ability to implement policy measures.

In a post he held last year, Mr. Edano oversaw the scrutinizing of fiscal 2010 budget requests, an activity carried out under the Government Revitalization Unit. As a Cabinet minister, he will now effectively head this unit. Beyond utilizing Mr. Edano's abilities, Mr. Hatoyama must also be hoping that the appointment will help dispel the popular perception that his administration is under the control of DPJ Secretary General Ichiro Ozawa.

Mr. Edano is known for taking a critical stance against Mr. Ozawa. He said Feb. 8 that Mr. Ozawa should resign as DPJ secretary general if he fails to give people a proper explanation of the details surrounding the indictment of three of his aides on charges of falsifying political funds reports.

Mr. Hatoyama had earlier planned to appoint Mr. Edano as his own special adviser, but this plan never materialized. Mr. Ozawa's opposition was suspected. As to the decision to make Mr. Edano administrative reform minister, Mr. Hatoyama has said that Mr. Ozawa told him, "I have no objection at all." Mr. Hatoyama can take this as a positive sign for his relationship with Mr. Ozawa, the effective head of the DPJ.

Mr. Edano said he will start a new round of waste-cutting measures in April. Independent administrative agencies and government-affiliated public-service corporations will be the main

targets. These bodies often intervene in the distribution of budget money, which inevitably causes waste. Mr. Edano has only two months left. He should make careful preparations so that funding allocations can be properly scrutinized, and real progress made towards overcoming bureaucrats' vested interests.

(The Japan Times) Tokyo to get panda pair from China, for under \$1 million

Ueno Zoo in Tokyo is expected to receive a pair of giant pandas from China early next year, Tokyo Gov. Shintaro Ishihara said Friday, unveiling a plan that would mark the return of the popular animals to the country's oldest zoo three years after the death of its last panda.

Ishihara said the Chinese side has agreed in principle to lease two pandas for \$950,000 a year, money that Tokyo expects to be used for the preservation of wild animals in China. The zoo has been without a panda since the death in April 2008 of Ling Ling, its only giant panda at the time.

"We received very strong requests" from the zoo for a new panda, the governor said during a news conference. "The (lease) costs are not low. We asked for a discount and had them cut around \$50,000."

In 2008, Ishihara described the panda's death as "not something that everyone should cry hard and feel sad about," adding "if you want to see one, you can just go where there is one and see it."

Male giant panda Ling Ling died of chronic heart failure aged 22 years and seven months, about 70 years in human terms. He had come to Ueno Zoo in 1992 from China in exchange for a Japan-born panda to commemorate the 20th anniversary of the normalization of bilateral diplomatic ties.

China donated Lan Lan and Kang Kang as the first pair of giant pandas to Japan when the two countries normalized ties in 1972.

The endangered giant panda is considered a national treasure in China and the international conservation group WWF estimates there are around 1,600 pandas in the wild, with about 980 under protection in China's panda reserve.

(The Japan Times) Objection filed over letting Ozawa off hook

A citizens' group asked an independent judicial panel Friday to look into last week's decision by prosecutors not to charge Democratic Party of Japan Secretary General Ichiro Ozawa over alleged false reporting of political funds at his fund management body.

The prosecutors could be required to reopen their probe if the panel decides Ozawa should be charged or if the prosecutors' decision not to do so was unjust. If the panel decides within three

months that Ozawa should be charged, a court-designated lawyer will automatically indict Ozawa.

The citizens' group, Shinjitsu wo Motomeru Kai (Committee to Seek the Truth), filed a complaint with the prosecutors against Ozawa in January alleging a violation of the Political Funds Control Law.

The nature of the group, however, remains a mystery. Various pieces of information circulate on the Internet, with some saying it groups legal experts and former journalists, but its members are never known. The group is even rumored to be a dummy body working on behalf of anti-Ozawa political forces.

Tokyo prosecutors questioned Ozawa twice, on Jan. 23 and 31. On Feb. 4, they opted not to charge him, citing lack of evidence.

But they indicted DPJ Lower House lawmaker Tomohiro Ishikawa, an ex-aide of Ozawa, for misreporting funds at Rikuzankai, Ozawa's fund management body. Another ex-aide and a current secretary were also charged.

Economic Front

Detailed News,

(The Japan Times) Toyota president sidesteps issue of Prius recall

Just when it seemed like the head of Toyota Motor Corp. would keep a low profile until the firm's recall troubles wind down, President Akio Toyoda made a surprise public appearance and offered a solemn apology to anxious consumers.

But when the hastily arranged late evening news conference in Nagoya on Friday ended, key questions about how Toyota will address the latest safety questions about its best-selling Prius hybrid were left unaddressed, reinforcing doubts about the top management of the world's biggest automaker.

The sudden appearance of Toyoda, the 53-year-old grandson of the company's founder who took office in June, came on very short notice. Even officials of Toyota's public relations team in Tokyo were only given a few hours' notice.

"The president will not appear in public for some time," a person close to Toyota said Thursday. The company "has been looking for ways to handle the matter without damaging the president," according to the person.

Even after safety concerns arose about Toyota vehicles, senior officials at Toyota repeatedly continued to emphasize that "it was not a serious problem that required the appearance of the president."

But pressure from within and outside Japan had been mounting on Toyoda to publicly address the massive global recalls over faulty gas pedals and the most recent complaints about the brake problems involving its 2010 Prius hybrid, which was rolled out last May.

"It's hard to believe this is the global Toyota," a person close to the transport ministry said about the top management's silence.

Land, Infrastructure, Transport and Tourism Minister Seiji Maehara also rapped Toyota's response to the growing number of complaints about the Prius as "lacking in customer focus."

When Toyoda took the reins of the auto giant, he vowed to bring a firm that rapidly expanded its grip in the global auto market back to the front lines and closer to its customers.

But half a year later, he finds a company pounded with accusations that it had overlooked the safety problems in some of its top-selling models, including its Prius hybrid that has been the face of its green image.

Sources said that the company is mulling a recall in Japan and the United States to fix the brake problems in the Prius models already on the road, but Toyoda only mentioned that prompt action is currently being studied.

With the founding heir taking the top office for the first time in 14 years, many company officials are pinning their hopes on the young Toyoda to steer the automaker out of the deep losses incurred during an unprecedented global auto slump.

Toyoda is certainly inching closer to his goal, as the automaker projects a return to profitability in the current business year on the back of cost-cutting and strong sales in Japan and other Asian markets.

"The founding family member was tapped as the trump card" to save the company, said Ryoichi Shinozaki, director of Tokyo-based Kyodo Public Relations Co. and a crisis management expert.

"It's unavoidable for the president not to come out in the initial phase," saying that Toyoda's appearance would only be called for if the company decides to deal with its safety troubles.

But that decision has yet to be made, as Toyoda admitted during the press conference.

The automaker is expected to reach a conclusion early this week on whether it would carry out a mandatory recall or voluntary repairs on the Prius following consultations with Japanese and U.S. regulators.

Toyoda denied accusations that he was evading or transferring responsibility to other senior company officials in handling the recall issues.

"Quality management is our company's lifeline," Toyoda said at the news conference. "We are all working together so I am not relegating (my responsibility)."

While his first news conference regarding the recalls came after what seemed like a long wait for Toyota customers, they will certainly demand a more official explanation to feel completely safe about driving the Prius and other models.

And whether Toyota can find its way out of the current "crisis" will likely depend on whether it finally takes prompt and precise action to ease customer fears about the Prius, following what was viewed as a sluggish response to the recalls.

"Nobody thinks a company is perfect," said Shoichi Yoshikawa, managing director and branding expert at public relations agency Hill & Knowlton Japan Ltd.

"Customers are looking, not so much at what has happened, but more at how a company quickly responds to what has already occurred," he said. "By responding quickly to what could not have been foreseen, it is possible to regain consumer trust."

(The Japan Times) Toyota readies for a recall over 170,000 Prius hybrids in Japan

NAGOYA (Kyodo) Toyota Motor Corp. has decided to recall and repair free of charge the latest model of its Prius hybrid sold in the domestic market due to complaints over brake problems, sources close to the matter said Sunday.

Subject to the recall are at least 170,000 units of the Prius car, which went on the market last May.

The automaker has begun notifying its dealers and is expected to report the plan to the Land, Infrastructure, Transport and Tourism Ministry early this week, before announcing it to the public, the sources said.

Toyota has sold more than 300,000 units of the Prius in about 60 countries. The company intends to begin recalls or voluntary repairs outside Japan as well, they added.

In Japan, manufacturers need to report a recall plan to the ministry when their products are found not to meet safety standards and the cause lies in the design and production processes.

Toyota has said the problems with the Prius are not fundamental defects and has sought to fix them under a voluntary "service campaign."

But the company has apparently concluded that a recall is unavoidable if it wants to regain the trust of its customers.

Toyota has received a number of complaints involving the brakes on the latest model of its popular Prius hybrid car in Japan and abroad. The complaints allege that the car suffers from momentary brake failure when traveling over uneven surfaces, potholes or bumps in the road.

Under the recall, the company plans to fix the problem by improving the software for the antilock brake system.

The fix can be made at Toyota dealerships in less than an hour. Vehicles manufactured in late January and after already have the updated software.

The company has reportedly begun informing its dealers in the United States about a similar recall plan involving some 100,000 Prius vehicles sold there.

The gas-electric Prius hybrid car has been a symbol of Toyota's technological strength and was the best-selling car in Japan last year.

Prius recalls would deal a heavy blow to the automaker, which has already recalled millions of vehicles from other product lines around the world over different problems.

(The Japan Times) U.S. Toyota dealers to begin fixing Prius brake problems

NEW YORK (Kyodo) Toyota Motor Corp. has informed its dealers in the United States that it will begin repairing the brakes of the Prius hybrid next week, industry sources said Saturday.

The automaker plans to fix the problems the car has by improving the software used in the braking system, a senior official of Toyota Motor Sales U.S.A. Inc. said in an e-mail message sent to dealers Friday night, they said.

As to whether the move is being taken under a mandatory recall or a program of voluntary repairs, Toyota has not yet decided as it needs to consult with and obtain approval from the National Highway Traffic Safety Administration, the sources said.

The U.S. safety regulator said Thursday it has launched a formal investigation into allegations that the latest model of the Prius hybrid suffers from momentary brake failure when traveling over uneven surfaces, potholes or bumps in the road.

The NHTSA had received more than 100 complaints from Prius owners over these problems by Tuesday, according to the sources.

Toyota knew of the problems and has taken steps to remedy them for cars produced since late January. But it did not bring the issue into the open and so measures have yet to be taken for vehicles already on the road. Since last June, about 103,500 units of the latest model of the Prius had been sold in the United States by the end of January.

(The Japan Times) Toyota's moment of crisis

Toyota Motor Corp. is in a crisis of critical proportions, the worst in its 70-plus-year history. The firm has voluntarily recalled millions of vehicles worldwide, and has suspended the production and sale of several models in the United States. At stake is the firm's credibility in Japan and overseas as a trustworthy manufacturer of safe and reliable automobiles.

On Friday Mr. Akio Toyoda, president of the embattled auto giant, belatedly made his first public appearance since the recall crisis began to emerge in November, and apologized to Toyota users worldwide. Toyota's brand image — and more importantly, consumer confidence in the quality and safety of Toyota cars — has been profoundly shaken. Things went from bad to worse for the firm last week, when safety concerns came to light regarding the braking system of its flagship hybrid model, the Prius.

As Mr. Toyoda correctly stated, the automaker should make vehicle safety its absolute highest priority, not sales. Toyota should do everything necessary, at any cost and as swiftly as possible, to fix any mechanical flaws in its vehicles.

Toyota and the U.S. oversight administration will face close scrutiny at two U.S. Congressional hearings on the recalls. The first hearing is scheduled for this week; the other for later this month. It is imperative that during these hearings Toyota establish its credibility by squarely addressing allegations it was tardy in its response to customer complaints and attempted to cover up the safety issues. The firm must present detailed, convincing explanations of the measures it takes to ensure the safety of its vehicles.

At the same time, it is hoped that the U.S. government and Congress will address the Toyota recalls in a non-emotional manner, and that the issue will not be exploited for political gain ahead of the U.S. midterm elections in November. Toyota should not be made a scapegoat of any attempts to channel American voters' frustration away from their prolonged economic woes, highlighted by high unemployment.

(The Japan Times) ¥100 million wins uninhabited isle

HIROSHIMA (Kyodo) An unidentified organization won a contract Tuesday to buy an uninhabited islet in the Seto Inland Sea off Kure, Hiroshima Prefecture, for about ¥100 million, bidders said.

The islet is one of two collectively called Mitsugo Island, located about 1 km off Kure. It measures about 580 meters in circumference and covers 7,600 sq. meters.

The Finance Ministry held the bidding as part of efforts to sell idle government-owned property.

A local Finance Ministry official said it was the first time ever that bidding was held for the sale of an uninhabited islet.

Of the 27 applicants, 11 individuals and eight organizations attended the bidding at a Finance Ministry office in Kure. One of the individuals withheld tendering a bid. The successful bidder is required to conclude the contract by March 11.

The remains of a disinfecting station operated by the Imperial Japanese Navy are on the island, which is now covered with trees and grass. It has no harbor facilities.

One of the individual bidders who came from Shizuoka told reporters he intended to build a villa there and offered about ¥3 million.

(The Japan Times) Ozawa, wife worth ¥2 billion

Democratic Party of Japan Secretary General Ichiro Ozawa and his wife had assets with an estimated market value of at least ¥1.974 billion as of late August, according to a Kyodo News tally based on filings by Ozawa as required by law and officially registered data on his wife's assets.

Ozawa has been under fire for the alleged misreporting of funds by his political money management body and a lack of adequate explanations about his record-keeping.

Prosecutors have charged three current and former Ozawa aides, including a DPJ lawmaker, in connection with the scandal, although they have not charged Ozawa due to lack of evidence linking him to the misreporting.

One of the indicted aides reportedly made a statement to prosecutors to the effect that false entries were made for the fund management body's filings to hide the fact that Ozawa has substantial money assets.

The total value of the couple's assets was arrived at by adding up land, real estate and financial assets reported by Ozawa to the Lower House and assets held by his wife based on officially registered data seen by Kyodo News, and then converting the total amount into market prices.

This is the first time that a glimpse has been taken into the couple's asset portfolio.

Ozawa's wife is a member of the founding family of mid-ranking contractor Fukuda Corp., which is listed on the Tokyo Stock Exchange. She is a major stockholder, with 1.36 million shares in the company.

Ozawa is among the 480 members of the Lower House. They are required by law to report their assets at the beginning of their term to the speaker of the chamber within 100 days.

Their filings are available for viewing starting Monday. The last Lower House election was in August.

A tally based on the filings indicate the current Lower House members held on average of ¥31.54 million, down more than ¥18 million from the average held by lawmakers in the last disclosure in February 2006.

The sharp drop apparently resulted because some senior lawmakers were defeated or retired in the last election, while many relatively younger people were elected.

Among the 480 lawmakers, Prime Minister Yukio Hatoyama, the DPJ president, reported the highest amount, at ¥1.637 billion, down by ¥19.11 million from the previous disclosure.

He maintained the position of richest lawmaker for the third time in a row.

Hatoyama's younger brother, Kunio, from the Liberal Democratic Party, was second with ¥816.17 million.

Ozawa was 11th on the list with assets of ¥193.04 million.

Of the Lower House members, 25 held assets of more than ¥100 million, down from 46 among those elected in the previous election.

First-term Lawmakers averaged ¥12.53 million in assets, sharply lower than the average of ¥28.70 million held by rookie members in the previous election.

LDP lawmakers held an average of ¥50.18 million in assets, compared with ¥26.95 million among those from the ruling DPJ.

Assets that lawmakers are required to declare include land, deposits excluding checking and ordinary accounts, money trusts, securities such as national bonds and stocks, borrowings, loans, and golf course memberships, as well as automobiles, boats, aircraft and artworks valued at ¥1 million or more.

The lawmakers are not obliged to declare the value of stocks held. They are only required to declare the names of issues and the number of shares held.

Funds kept at home are not included.

(The Straits times) Toyota set to recall Prius cars in Japan

TOKYO: Toyota is expected to announce a recall of its Prius hybrids in Japan to fix braking problems, Japanese media reported yesterday.

The car giant decided on Saturday on a recall in Japan covering its latest Prius model and has notified domestic dealers, the largest-circulating Yomiuri Shimbun reported, citing unnamed sources.

It said Toyota would announce the move early in the week after consulting the Japanese government. Kyodo News agency and TV Asahi had similar reports.

Kyodo said the carmaker had started notifying dealers and that at least 170,000 vehicles in Japan would be covered by such a recall.

The Yomiuri said Toyota decided on the more serious step of a recall to give priority to regaining consumer trust.

Government ministers have expressed alarm at its quality problems and urged the company to move more quickly to ease consumer worries.

(The Japan Times) Panasonic regained global patent application lead in '09

GENEVA (Kyodo) Panasonic Corp. filed more patent applications than any other company in 2009, surpassing China's Huawei Technologies Co. to take the top spot for patent filings for the first time in two years, according to the World Intellectual Property Organization.

Panasonic filed 1,891 applications last year, up by 162 from the previous year, compared with 1,847 by Huawei Technologies.

Worldwide, patent applications fell 4.5 percent from the previous year to 155,900 in 2009, the first decline since the current filing system was established in 1978, according to the organization.

By country, the United States took the top spot with 45,790 applications, down 11.4 percent from 2008. The figure represents 29.4 percent of the world's total patent filings.

Japan came in second with 29,827 applications, up 3.6 percent, followed by Germany with 16,736, down 11.2 percent.

(The Japan Times) Bill would turn Japan Post into three firms

The government unveiled a draft bill Monday to review the postal privatization process, proposing a realignment of the Japan Post group into three companies from the current five.

The draft calls for a merger of postal service businesses to provide nationwide uniform financial services, particularly savings and insurance.

The components that would merge would be Japan Post Holdings Co., the holding company of the group, mail and parcel delivery unit Japan Post Service Co. and post office operator Japan Post Network Co.

Japan Post Bank Co. and Japan Post Insurance Co. would operate under the wing of the merged company.

The Democratic Party of Japan-led government has been pushing for a rethink of the postal privatization process spearheaded by Prime Minister Junichiro Koizumi of the Liberal Democratic Party.

The realignment proposal was prompted by worries that Japan Post Service may not be able to stay afloat, given the weak business environment surrounding its mail and parcel delivery services. Japan Post Bank and Japan Post Insurance generate the bulk of the group's profits.

The draft would authorize the Japan Post group to start new businesses, including medical insurance and loans to smaller companies.

(The Japan Times) Cosmo Oil to buy wind power firm

Cosmo Oil Co. said Tuesday it will make a major push into the wind power generation business by taking over EcoPower Co., a major player in the field, around late March.

Cosmo said it will acquire a 98.8 percent equity stake in the subsidiary of Ebara Corp. for ¥1 while taking over the wind power firm's debts worth some ¥15 billion, after Ebara injects ¥4.85 billion worth of capital into EcoPower.

Through the acquisition, Cosmo will gain control of the firm's 25 wind farms in Japan.

The facilities, including those coming onstream in March, are capable of generating 147,000 kw of power for sell to electric utilities. But glitches have kept the capacity utilization rate low, saddling EcoPower with an estimated ¥15 billion in debt.

(The Japan Times) Hiroshima added to ANA cargo service

HIROSHIMA (Kyodo) All Nippon Airways Co. has launched a nighttime cargo delivery service to five areas in Asia from Hiroshima Airport via Tokyo's Haneda and Okinawa's Naha airports.

The service shortens the air cargo delivery time from Hiroshima by around half a day compared with trucking cargo to Kansai International Airport near Osaka, according to ANA.

The service is part of ANA's "Okinawa cargo hub" service launched last October linking Narita, Haneda and Kansai airports with airports in Bangkok, Hong Kong, Seoul, Shanghai and Taipei via Naha.

Under the new service, cargo is transported from Hiroshima by an ANA jetliner arriving at Haneda during the night. At Haneda, it is loaded onto a cargo plane bound for Naha, where it is transferred to another aircraft, reaching its destination by early morning.

(The Japan Times) It's official: JAL rules out Delta ties

Inamori wants ailing carrier to stay allied with American, oneworld; antitrust OK next quest Japan Airlines Corp. will maintain its partnership with AMR Corp.'s American Airlines, rejecting an offer from Delta Air Lines Inc., JAL said in a statement Tuesday.

Sources had said earlier that JAL was leaning toward forming an alliance with Delta and terminating its current ties with American Airlines. But JAL's new chairman, Kazuo Inamori, decided to stick with American because of the two carriers' history of cooperation and concerns about winning regulatory approval of a tieup with Delta on trans-Pacific flights, according to two sources.

"We have decided to strengthen our alliance with American Airlines in the Pacific routes, running joint operations," JAL said in the statement.

The two carriers will apply for antitrust immunity from Japanese and U.S. regulatory authorities for the trans-Pacific routes, JAL also said.

Delta and American, the world's two biggest carriers, have both offered to invest in JAL as the U.S. and Japan move toward liberalizing air travel between the two nations. JAL is restructuring operations after filing for bankruptcy last month in what is believed to be Japan's fourth-largest corporate failure.

"It's the right choice by Japan Air," said Makoto Murayama, a Nomura Securities Co. analyst. "The continuation of the partnership with American also means there will still be competition among the three airline alliances at Tokyo's Narita airport."

Market share between the U.S. and Japan is now about evenly divided between Delta's SkyTeam airline alliance, American and JAL's oneworld, and the United Airlines-led Star Alliance. Delta previously said a tieup with JAL would give the two carriers 58 percent of Japan-U.S. services, including flights serving holiday destinations like Hawaii. American has said its share would shrink to 6 percent without JAL.

Later in the day, Daiji Nagai, director of the management planning division at JAL, told a news conference that a major reason JAL decided to stay with oneworld is to avoid the risk of losing current customers during the lengthy process of switching its alliance from American to Delta, which would take at least a year.

Nagai admitted that the partnership with Delta, which has a larger share in the trans-Pacific market than American, may bring more benefits to JAL over the long term.

But the company attached more importance to avoiding immediate risks during the critical time of corporate restructuring, he said.

"This year, we are in a situation where we must focus on reconstruction," he said.

Japan and the U.S. reached an initial open skies deal last year that would remove government restrictions on flights between the two countries. All Nippon Airways Co., Japan's No. 2 carrier, has already requested antitrust immunity to extend cooperation with Star partners UAL and Continental Airlines Inc. on Japan-U.S. flights.

(The Japan Times) Toyota the city rides out the storm

Troubled car giant's namesake home in for a penny, in for a pound

TOYOTA, Aichi Pref. — Even in its hometown, the great automaker has lost some of its mystique.

Rising out of the barren winter rice fields of Aichi Prefecture, this city of 400,000 is probably the most Toyota-friendly place on the planet. Renamed after the company 51 years ago, it hosts the corporate headquarters as well as enormous factories and is beholden to the automaker for tens of thousands of jobs and the bulk of its tax income.

Residents say they, like the rest of the world, were surprised by the safety problems that have led to mass recalls of Toyota vehicles. But it was the company's response that was more shocking — the global icon came across as dithering and unprepared.

"Maybe Toyota isn't any different from ordinary companies," said Akari Mizunaga, who works at a local trading company that depends on Toyota for much of its business. She spoke while killing time at a cafe before an English lesson.

Jun Morikawa, who works at a company that transports car parts for Toyota, was among many who voiced concern about the recalls and the financial implications.

"The company just managed to get into the black, and now it looks like it might fall back into the red," he said.

For many Japanese, Toyota is a source of pride because of the legend of its success — from when its founders tore apart a Chrysler in 1933 to see how it worked, to the company eventually passing General Motors and becoming the No. 1 automaker in the world two years ago.

Now the fear in Toyota is that the company's recent stumbles could see it lose the top spot.

"This is a chance for American companies like GM, who could catch up," said Ueyama.

As Toyota grew in the 1930s from its roots as a producer of mechanical looms, it has transformed the formerly rural town into a thriving municipality. Toyota dealerships are strung

along the city's main street, and the automaker's curly T logo is everywhere — on cars, signs and buildings.

Eye of the storm: The Toyota Motor Corp. headquarters, whose address is 1 Toyota Town, stands out in the city of Toyota, Aichi Prefecture. AP PHOTO

"You can't really separate the town from the company," said Hideki Nagata, who works independently in auto repair. "And now there is this sense of — are we OK?"

None of the people interviewed in Toyota said they would hesitate to buy one of the company's vehicles in the future, and several said they think the automaker will now work harder to ensure quality. But there was a palpable disappointment in the way it has handled the recent safety concerns, almost as if let down by a relative.

Akio Toyoda, who took over the company in June, is a grandson of Toyota's founder and was seen as a charismatic choice who would lead it back from deep losses incurred during the global economic slump.

But the company's leader kept a low profile after Toyota announced recalls last month to fix defective gas pedals in a number of its mainline models that could cause sudden acceleration. Together with earlier recalls, that has covered more than 7 million cars in the U.S., Europe and China.

Toyoda was briefly cornered for an interview by a Japanese TV crew a week later in Switzerland, then finally gave a new conference Friday that was widely panned in the media as belated and unconvincing.

Toyota's problems have even spread to the prized Prius hybrid after complaints in the United States and Japan about problems with its complex braking system. The quality issues threaten two of the company's core assets — its sterling reputation for reliability and safety, and its world-beating technology.

In the company museum at corporate headquarters — whose address is 1 Toyota Town — there is nothing subtle about the safety message. Main exhibits are devoted to subjects like "Active Safety," "Passive Safety," and "Intelligent Safety." A large room in a prime site next to the entrance is devoted to the hybrid, with a dissected, flashing Prius demonstrating how it works.

Kazuhide Ueyama, 54, visited the museum Saturday on a tour from his home in Osaka.

"This trip was planned before these problems came up, but everyone was talking about it on the bus over here," he said, referring to the recall woes. "I have no doubt they will deal with the problems firmly, but it does raise some questions."

The city of Toyota has suffered in the latest global downturn along with the company, which cut temporary workers at its Japan plants to 3,000 workers at the end of the last fiscal year from 9,000 a year earlier.

Toyota sank to its first annual loss in nearly 60 years last fiscal year, and as the automaker's tax payments fell the city's income has also shrunk.

The city expects corporate tax revenue to fall 96 percent to ¥1.6 billion this fiscal year through March, off from ¥44.2 billion the previous year. City officials don't release a breakdown of contributions by individual firms but confirmed that Toyota's contribution is "well over" 50 percent. Local media reports have put the figure at 70 percent.

The city has tried to cover the shortfall by relying on its cash reserves, tripling the amount of debt it issues and postponing long-term projects.

Despite the loss, many point to the company's strong financial standing. Unlike competitors in the U.S., the company boasts solid finances — at the end of last year it said it had about \$24 billion in cash and cash equivalents. A report from investment research firm Morningstar on Jan. 27 after the gas pedal problems came to light described Toyota's balance sheet as "fortress-like."

Last week Toyota said it would become profitable again in the current fiscal year through March, after earlier forecasting more deep losses. It now expects a profit of ¥80 billion versus an earlier projection for a ¥200 billion loss. But that was without any potential costs from the latest Prius problems factored in.

Until the recent safety issues, the company was seen by some as more creditworthy than the Japanese government. On Friday, however, ratings agency Standard & Poor's put Toyota under review for a possible downgrade.

(The Japan Times) Toyota tries to cover all bases

Damage control in public and behind scenes in Washington

WASHINGTON — In public, Toyota is running apologetic TV ads and vowing to win back customers' trust. Behind the scenes, the besieged carmaker is trying to learn all it can about congressional investigations, maybe even steer them if it can.

It's part of an all-out drive by the automaker to redeem its once unassailable brand — hit anew Tuesday as its global recall ballooned to 8.5 million cars and trucks. The day's safety recall of 440,000 of its flagship Prius and other hybrids, plus a Tokyo news conference where the company's president read a statement in English pledging to "regain the confidence of our customers," underscored a determination to keep buyers' faith from sinking to unrecoverable depths.

In Washington, facing congressional inquiries and government investigations, Toyota through its lawyers and lobbyists is working full speed to salvage its reputation.

The confidential strategy — Toyota will say little publicly about its efforts — includes efforts to sway upcoming hearings on Capitol Hill and is based on experiences by companies that have survived similar consumer and political crises — and those that haven't.

Rep. Bart Stupak said Toyota representatives visited his offices seeking to learn all they could.

"They're probing us. 'What are you going to ask us, where are you going with this whole thing?' " said Stupak, who is chairman of a House subcommittee looking into Toyota's problems.

Toyota, which reported spending more than \$4 million on lobbying last year, declined to discuss details of its plans.

The company has "beefed up our team" by hiring additional lobbyists, lawyers and public relations experts to "work with regulators and lawmakers collaboratively toward a successful recall effort, ensuring proper, diligent compliance," spokeswoman Cindy Knight said in an e-mail.

Toyota faces at least two congressional hearings besides Stupak's, including one delayed by snow. Sen. Jay Rockefeller, chairman of the Senate Commerce, Science and Transportation Committee and a longtime supporter of Toyota, said his panel will hold a hearing March 2 after two by the House of Representatives.

Their focus: floor mats that get caught under accelerators, sticky gas pedals and brake problems, and what the company and federal regulators knew about them.

Professionals who have waged major damage-control struggles say the best strategy for Toyota mixes apology, openness, details about a specific fix — plus a little help from friends on Capitol Hill. In recent days, American TV viewers have seen ads in which a soft-spoken announcer talks about Toyota's dedication to safety and its customers.

"We're working around the clock to ensure we build vehicles of the highest quality, to restore your faith in our company," one spot says.

Toyota is expected to turn to its natural allies — lawmakers from states with Toyota plants or offices, which include Texas, Missouri, Indiana, Mississippi, Alabama, Kentucky and West Virginia. Republicans are considered especially likely to back the company, whose workers are not unionized.

Toyota has been encouraging dealers to contact local members of Congress, according to Bailey Wood, spokesman for the National Automobile Dealers Association.

About 60 of the 1,200 U.S. Toyota dealers planned to visit Washington this week, weather permitting, said Cody Lusk, president of the American International Automobile Dealers Association. Their message: Toyota employs 34,000 people in the U.S. and accounts for 164,000 other jobs at dealerships and parts suppliers.

"They provide a lot of jobs, a lot of the tax base, and they want members to know," Lusk said. Toyota also flew 23 workers from plants around the country to Capitol Hill to meet with lawmakers' staffs, emphasizing that the people who make the parts and build the vehicles care about quality.

One worker who tests cars and trucks said he takes it personally that he never found the gas pedal problem.

"I feel that I failed customers by not finding this issue," said Jim Shuker, who works at Toyota's Arizona Proving Grounds. "We were not able to duplicate it."

Friendly legislators can limit the duration of congressional hearings and ask favorable questions that would give Toyota officials a chance to tell their side of the story. Their goal would compress unfavorable news stories about the hearings to as few days as possible, while making sure the company avoids being confrontational.

"You're being called up there so Congress can beat you up a little bit," said Gene Grabowski, who chairs Levick Strategic Communications' crisis and litigation practice. "By the time it gets to a hearing, you're there to take some punishment, to listen to their concerns."

In the meantime, Akio Toyoda, Toyota president, wrote an opinion column in Tuesday's Washington Post in which he promised an outside review of company operations.

(The Japan Times) Honda adds 437,000 cars to air bag recall

Global total approaches 1 million units

Honda Motor Co. is adding 437,000 vehicles to its 15-month-old global recall for faulty air bags in the latest quality problem to hit a Japanese automaker.

The company will replace the driver's side air bag inflator on the cars because they can deploy with too much pressure, causing the inflator to rupture and injure or kill the driver.

Japan's second-biggest automaker originally announced the recall to the U.S. National Highway Traffic Safety Administration in November 2008 and the total of number vehicles recalled since then is approaching 1 million.

The latest expansion includes 378,000 cars in the U.S., some 41,000 in Canada and 17,000 in Japan, Australia and elsewhere in Asia. The North American recall was announced Tuesday and followed Wednesday by the recall in Asia.

Honda's announcement comes at a time of increased attention on automotive recalls. Though the problems are unrelated, rival Toyota Motor Corp. is in the process of recalling more than 8 million cars and trucks due to faulty gas pedals. On Tuesday, Toyota said it would recall more than 440,000 of its flagship 2010 Prius and other hybrids due to a brake glitch.

"There is a heightened sensitivity right now to anything to do with recalls," said John Mendel, executive vice president of sales for American Honda.

Honda's latest U.S. recall over air bags affects certain 2001 and 2002 Accord sedans, Civic compacts, Odyssey minivans, CR-V small sport utility vehicles and some 2002 Acura TL sedans.

In Japan, the recall covers three models, including the 2001 Inspire sedan.

Honda said it is aware of 12 incidents linked to the problem — one death last May and 11 injuries. The company said it is not aware of any problems happening after July.

The automaker's original announcement to NHTSA in November 2008 involved fewer than 4,000 2001 Accords and Civics. The recall was expanded last July to 440,000 vehicles, including the 2001 and 2002 Accord and Civic, as well as certain 2002 Acura TL sedans.

Company officials said the air bag produces too much pressure, which can cause the inflator to rupture, sending metal fragments toward the driver.

Honda says owners should take their vehicles to dealerships as soon as they are notified by the company in writing. Notification will begin during February.

Last month, Honda recalled 646,000 Fit hatchbacks worldwide because of a glitch that could cause water to enter the power window mechanism, causing components to overheat and possibly cause a fire.

The Fit recall affects 2007-2008 models. The Fit is sold in other countries as the Jazz and City. The recall affects Asia, Latin America, Europe, South Africa and North America. About 140,000 vehicles are affected in the U.S.

(The Japan Times) Japan's debt swells to ¥871 trillion

The outstanding balance of the central government's debts — government bonds, borrowings and financing bills — totaled ¥871.51 trillion at the end of 2009, an all-time high and up ¥6.99 trillion from the end of September, the Finance Ministry said Wednesday.

The total translates into roughly ¥6.83 million per capita.

The increase in the balance was largely attributable to an additional government bond issue of ¥10.8 trillion in the first supplementary budget for fiscal 2009, which was approved by the Diet last May.

The balance will come close to ¥900 trillion at the end of fiscal 2009 to March 31 as new government bond issues grow to ¥53 trillion under the second supplementary budget, which sailed through the Diet last month.

Of the balance at the end of December, general government bonds, including construction and deficit-covering bonds, amounted to ¥577.28 trillion, an increase of ¥14.02 trillion from six months earlier.

Borrowings came to ¥56.47 trillion, up ¥271 billion, and financing bills stood at ¥109.73 trillion, down ¥4.29 trillion.

(The Japan Times) Toyota to visit U.S. next month to talk up safety, explain things

NAGOYA (Kyodo) Toyota Motor Corp. President Akio Toyoda will tour the United States next month on a trip expected to focus on his company's handling of safety problems, company sources said Thursday.

Toyoda has decided to delay his scheduled U.S. visit, which had been originally planned for this week, until early March due to heavy snowfall in Washington. He will likely meet with Transport Secretary Ray LaHood and other U.S. government officials, the sources said.

The Japanese auto giant is under pressure from the U.S. government over its slow response to safety issues that led to massive recalls worldwide of its vehicles for problems including potentially defective accelerator pedals and, most recently, brake glitches in its Prius and other hybrid models.

In Washington on Wednesday, Rep. Darrell Issa, a Republican on a House committee looking into Toyota's troubles, said U.S. lawmakers are eager to "hear directly" from Toyoda, according to AFP and other media.

Issa was quoted by AFP as saying he would ask the chairman of the House Committee on Oversight and Government Reform to call Toyoda to its Feb. 24 hearing on the matter.

"Given the number of outstanding questions surrounding Toyota's relationship with U.S. regulators and in the best interests of moving forward, I'd like to help facilitate a dialogue between Mr. Toyoda and lawmakers from both parties and both chambers," Issa was quoted as saying.

"I would think that Mr. Toyoda would be receptive to the opportunity to meet with policymakers and there certainly is widespread interest from Capitol Hill and the American people to hear directly from him," he said.

Toyota spokeswoman Martha Voss said Toyoda "would look forward" to the opportunity to meet with members of Congress when he visits the United States. But it is unknown whether Toyoda will testify before Congress.

Toyota Motor North America President Yoshimi Inaba is scheduled to appear in the Feb. 24 hearing. But it has yet to be decided on who will represent Toyota in a hearing the following day at the House Committee on Energy and Commerce.

The Senate Committee on Commerce, Science and Transportation is scheduled to meet on March 2.

(The Japan Times) IT firm execs held for padding sales

YOKOHAMA (Kyodo) Prosecutors arrested two former executives of a bankrupt information system firm Thursday on suspicion of submitting false earnings reports with padded sales.

The Yokohama District Public Prosecutor's Office arrested Ikuo Suesada, 62, former chairman of Niws Co., and Koichi Omura, 68, former vice chairman of the company, after joint investigations with the Securities and Exchange Surveillance Commission.

Niws has made public that there was illicit trade concerning ¥68.2 billion in sales in its five business years through June 2007.

The two former executives are suspected of being responsible for window-dressing the company's earnings report for the year that ended in June 2006, when it reported sales of ¥77.2 billion and a pretax profit of ¥5.7 billion.

The prosecutors and the commission have obtained a memo indicating the former chairman instructed his subordinates to window-dress the earnings report, investigators said.

Earlier, the former chairman said there had been no false earnings reports by the company and he had never ordered such conduct.

The company's debts exceeded its assets by about ¥4 billion in its earnings report for the year to June 2007. The chairman and other executives stepped down in the fall of that year to take responsibility for the situation.

Niws was set up in 1992 as a joint venture by IBM Japan Ltd. and Nomura Research Institute.

(Bloomberg) Japan State-Backed Fund Eyes Auto, Technology Firms (Update1) Share Business

Feb. 12 (Bloomberg) -- Innovation Network Corporation of Japan, the government-backed investment fund started in July, is looking at the nation's automotive industry and technology companies for its first investment, an executive said.

More than 200 companies including Toshiba Corp. and Alps Electric Co. have sought investment from the fund and some negotiations are close to a conclusion, Haruyasu Asakura, chief operating officer of the Tokyo-based fund, said in a Feb. 10 interview. "We plan to prioritize products or technologies that have global competitiveness and a bigger impact on Japanese enterprise."

INCJ has almost 900 billion yen (\$10 billion) of financial support from the government and 19 private corporations including Panasonic Corp. and Toshiba, according to the fund's statements. It aims to spur growth of Japan's economy by promoting consolidation and nurturing new businesses, according to the fund's Web site.

“The expertise of carmakers, electronics makers and companies that are supporting them, such as manufacturers of measuring instruments, are important,” the 48 year-old former Carlyle Group managing director said.

The fund is also looking at companies that can expand in the water-infrastructure business, renewable energy devices and smart-grid systems, Asakura said. INCJ, which has hired about 40 employees so far, will likely make its first investment this year, he said,

In November, the fund partnered with Toshiba, Japan’s biggest chipmaker, to offer for the power-grid unit of Areva SA, the world’s largest builder of nuclear reactors. Areva said Nov. 30 it awarded exclusive negotiating rights to Alstom SA and Schneider Electric SA, which bid 4.09 billion euros (\$5.6 billion) for the business.

Alps, a Tokyo-based auto electronics maker, agreed with INCJ to jointly investigate the commercial viability of components that can improve the power efficiency of electronic products, the company said Dec. 1.

(The Straits times) Fresh questions over response

TOKYO - TOYOTA'S handling of dangerous defects in its cars came under fresh scrutiny on Monday as the group was reported to be planning a global recall of 300,000 Prius hybrids worldwide over a brake problem.

The world's largest auto maker is expected to tell Tokyo and Washington on Tuesday it will pull the latest version of the cars that went on sale from May last year, Japan's Kyodo News agency said late Monday, citing unnamed sources.

'Toyota is also considering filing recalls over other hybrid models, such as the luxury Lexus HS250h sedan and the hybrid-only Sai compact sedan, which employ a similar brake system to the Prius gas-electric hybrid,' the agency quoted the sources as saying.

The brake trouble comes on top of recalls of more than eight million vehicles worldwide due to sticking accelerator pedals that have severely tarnished the Japanese giant's reputation for reliability.

Toyota has denied it was slow to respond to the unintended acceleration issue but faces new questions about its handling of the episode, after it emerged that the company acted on the

problem in Europe about six months ago. 'We did fix this in August last year (in Europe) after first hearing about the issue at the end of 2008,' said Toyota spokesman Paul Nolasco.

But it was initially thought that the problem only affected European right-hand drive vehicles, sold mainly in Britain and Ireland, he said. The trouble was attributed to the car heater blowing hot air on the gas pedal, causing condensation to build up inside and result in sticking, but was not thought to occur in left-hand drive models, he said.

Toyota officials could not immediately confirm whether any action was taken at that point for vehicles already on the road in Europe. -- AFP

(The Strait times) Kirin-Suntory merger off

TOKYO - JAPANESE beer and soft drink giant Kirin said on Monday it had terminated months-long merger talks with its smaller rival Suntory that had aimed to create a top industry player in Asia.

'Kirin Holdings Company Limited, which has been in merger negotiations with Suntory Holdings Limited, today announced that the negotiations have been terminated,' Kirin said, citing disagreement on whether to list the company.

A combined group would have been be the largest in the Japanese beer and soft drink markets with sales of more than 400 billion dollars - ahead of Belgium-based Anheuser-Busch InBev and Coca-Cola Co. of the United States.

The talks between Suntory and Kirin started last year as Japan's beverage companies have sought to look beyond their traditional markets in the face of lean economic times and an aging and shrinking population at home.

Kirin has aggressively sought to expand overseas, buying Australian brewer Lion Nathan and a chunk of San Miguel's brewing business in the Philippines. Kirin said that it had been negotiating with Suntory 'on the premise that the new entity would be managed as a listed company in order to ensure appropriate management independence and transparency.'

However, Kirin said that Suntory held a different view, and that therefore the talks were 'unlikely to result in the establishment of a company that would fulfil Kirin's aim of developing as a leading global company.' 'Kirin therefore decided to terminate the negotiations,' it said.

(The Straits times) Plane seats data fabricated

TOKYO - JAPANESE airplane seat maker Koito Industries has said it had fabricated safety data on 150,000 seats used by 32 carriers, the latest trouble to hit the country's reputation for reliability.

The seats manufactured by the Yokohama-based firm are used in about 1,000 Boeing and Airbus aircraft, including more than 300 planes of the two major Japanese carriers Japan Airlines and All Nippon Airways. Its international customers include Air Canada, KLM, Scandinavian Airlines and Singapore Airlines.

'I deeply apologise,' company president Takashi Kakegawa told a news conference late on Monday. 'The whole section in charge was systematically involved in it,' he said. 'We did wrongdoing on concerns that we would delay our delivery if we failed in tests.'

Japan's transport ministry has already instructed the company to improve its business operations, but stressed there was no problem with the planes continuing to fly.

The manufacturer omitted part of a test process and used figures from past tests, the ministry said, adding that the data falsification could have been going on since the mid-1990s. The nation's largest plane seat maker was ordered by the ministry to retest the products to confirm their safety and would fix them if necessary, the company said.

The company is a subsidiary of Koito Manufacturing, an auto parts maker affiliated with Toyota Motor, now under fire over recalls of millions of vehicles worldwide due to problems with accelerator pedals and floor mats. -- AFP

(The Straits times) JAL to stay with AA

TOKYO - JAPAN Airlines has decided to maintain its current tie-up with American Airlines and will end talks with Delta Air Lines, local media reported on Monday.

American Airlines and Delta Air Lines are competing to take a stake in JAL despite its bankruptcy filing last month with US\$26 billion (S\$36.9 billion) of debt - one of Japan's biggest ever corporate failures.

Japanese media had previously said JAL planned to switch to Delta and its SkyTeam airline alliance from American Airlines' Oneworld alliance as part of its recovery plan.

But JAL's new management and the government-run Enterprise Turnaround Initiative of Japan, which supervises the airline's revival, have concluded that the switch would be costly and risky for JAL, the Asahi Shimbun and other news reports said.

JAL is expected to announce the decision this week, the reports said. Immediate confirmation of the reports was not available.

Earlier this month, Japan Airlines' new management team said it was starting from scratch in its talks with foreign rivals about a possible tie-up, part of efforts to revive the stricken carrier. Both US carriers are offering financial assistance to JAL - which is slashing more than 15,600 jobs and axing unprofitable routes - in return for cooperation in areas such as joint flight operations through code-sharing. – AFP

(Reuters) Nikkei up 1 pct on reports of Greece aid plan, yen Reports of Greek aid plan reassure on global economy

TOKYO, Feb 10 (Reuters) - Japan's Nikkei stock average rose 1 percent on Wednesday after reports of an aid plan for heavily indebted Greece eased worries about global economic stability, while a weaker yen buoyed exporters such as Canon Inc ([7751.T](#)).

Toyota Motor Corp ([7203.T](#)) edged up, with some market players saying its share price may have bottomed and despite the new recall of Camry sedans for steering problems, but Honda Motor Co ([7267.T](#)) fell after expanding a U.S. recall [ID:nSGE61800X].

A senior German ruling coalition source said euro zone governments have decided in principle to help Greece, calming investors after risk aversion increased in the past two weeks on concern about the fiscal stability of Greece, Portugal and Spain. [ID:nSGE61801C]

"Certainly there are reports about support for Greece, but nothing concrete's been decided. So while downward pressure has definitely decreased, there's still no real reason to buy," said Hideyuki Ishiguro, a strategist at Okasan Securities.

Japan's core machinery orders rose more than expected in December from the previous month, easing concern that capital spending may continue to slump and shackle the economy's fragile recovery, but this was seen as largely neutral for the market. [ID:nTOE61708J]

"The machinery orders data is extremely volatile -- the month before this orders really plunged. So while today's figures aren't bad for the market, it's hard to say that this recovery will go on and so few investors really want to buy on this," said Ishiguro.

The benchmark Nikkei .N225 gained 104.42 points to 10,039.59, while the broader Topix rose 0.9 percent to 889.84.

Market players said that investors, including commodity trading advisors (CTAs) appeared eager to sell a bit above 10,000, and that this would limit gains.

(The Japan Times) TOYOTA GAINS, HONDA FALLS

In the latest blow to its reputation, Toyota said in a document sent to U.S. dealers and obtained by Reuters that 2010 Camrys equipped with a 4-cylinder engine might have a shorter-than-required power steering pressure hose in the engine compartment [ID:nN09109575].

Toyota shares rose 0.6 percent to 3,395 yen after briefly dipping into negative territory.

"Judging from past recalls, it may take as much as half a year before things settle down," said Nagayuki Yamagishi, a strategist at Mitsubishi UFJ Securities.

"While Toyota shares have probably bottomed out already, it still may be early for a sustained rebound."

Honda edged down 0.2 percent to 3,055 yen after saying it is recalling 378,758 vehicles in the United States to fix an airbag defect linked to 11 injuries and one fatality. [ID:nN09120875]

But shares of Nissan Motor ([7201.T](#)) climbed 2.5 percent to 749 yen after Japan's third-largest automaker said it returned to quarterly profit and lifted its forecast for the second time, though warning of a still shaky outlook for the global car market. [ID:nTOE61706Y]

Toshiba Corp ([6502.T](#)), Japan's biggest chipmaker, advanced 3.1 percent to 432 yen after the Nikkei business daily said it will spend about 800 billion yen (\$8.9 billion) to build a flash memory chip factory, reviving plans that had been put on hold due to sharp falls in demand. [ID:nTOE61808M]

The dollar edged up 0.2 percent to 89.81 yen [JPY=](#), while the euro rose 0.3 percent to 123.99 yen [EURJPY=R](#). Investors fret about a stronger yen because it eats into exporter profits when repatriated.

Sony Corp ([6758.T](#)) rose 2.5 percent to 3,065 yen and Canon gained 1.6 percent to 3,570 yen. Tokyo Electron ([8035.T](#)) rose 2.6 percent to 5,480 yen.

(Reuters) Honda expands airbag recall as more Toyotas probed

TOKYO/DETROIT (Reuters) - Honda Motor Co said it would recall another 440,000 cars around the world for faulty airbags as rival Toyota Motor Corp faced further probes over its largest-ever safety crisis.

Honda, Japan's No.2 automaker, said the faulty airbags had previously been linked to one fatality and a total 11 injuries in the United States, but no accidents elsewhere.

While auto recalls are not uncommon and the size of Honda's is not massive, it comes at a sensitive time for the industry.

Automakers are struggling to draw customers back to showrooms after a brutal downturn during the financial crisis, and Toyota, the world's largest carmaker, is facing a storm of criticism over safety issues and its response to them.

In the latest of a string of embarrassing product problems for Toyota, U.S. regulators said they are reviewing dozens of complaints about potential steering problems in newer Toyota Corollas.

The National Highway Traffic Safety Administration (NHTSA) said it is discussing the matter with Toyota to see if a formal investigation is warranted, a standard procedure when reviewing complaints.

Toyota expanded its largest ever recall on Tuesday, including more than 400,000 of its latest version Prius and other new hybrid models due to braking problems. It also recalled more than 7,300 late model Camrys in the United States for an unrelated braking problem.

That comes on top of some 8.1 million vehicles recalled for problems with slipping floor mats and sticking accelerator pedals that have been linked to crashes that killed at least 19 people.

A U.S. congressional committee postponed a hearing scheduled for Wednesday to examine the recalls and Toyota's response due to a snowstorm expected to hit Washington.

Toyota President Akio Toyoda said on Tuesday he may travel to the United States next week to tackle criticism that his company moved too slowly on earlier recalls.

Toyota faces potential litigation over the crashes linked to the problem of unintended acceleration as well as class-action lawsuits over the brake problems with the Prius.

INFLATING RECALLS

Honda's move comes on top of a recall first announced in November 2008 for 4,200 Accord and Civic sedans due to faulty airbag inflators, and expanded last June to cover an additional 510,000 vehicles globally.

Ongoing investigation had determined the defect was caused by insufficient stamping pressure during production of the inflator propellant and not by the propellant's excessive moisture intake as previously believed, Honda said.

The airbags are made by the U.S. unit of Japan's Takata Corp, a Honda spokesman said. A spokesman at the supplier said the company was not aware of any defect in airbags it supplies to other automakers.

The latest recall applies to 2001 and 2002 model-year Accord, Civic, Odyssey, CR-V, Pilot and 2002 Acura TL and CL vehicles in the United States, as well as the Inspire, Saber and Lagreat in Japan. All vehicles are made at Honda's U.S. and Canadian plants.

Last month, Honda announced a global recall of about 646,000 cars for a fault with a window switch.

Some analysts said automakers regularly make recalls, and media reactions to recent cases have been somewhat overblown.

"While the way automakers handle recalls is important, I think people should be careful not to overreact to every single recall," said Yoshihiko Tabei, chief analyst at Kazaka Securities.

"Rather, my concern for the auto industry is their earnings for the next financial year, given the absence of the boost they enjoyed from government incentives this year."

Honda shares eased 0.2 percent in Tokyo, while shares of Toyota, which lost about a fifth of their value since late January, edged up 0.3 percent.

(Reuters News) Japan bank lending slides as funding demand weak

Bank lending posts biggest fall in more than 4 years

TOKYO, Feb 8 (Reuters) - Japanese bank lending logged its biggest annual fall in more than four years in January as companies faced with overcapacity and a murky economic outlook steered clear of borrowing for capital investment purposes.

The softness in domestic demand could also be seen in Japan's current account surplus, which surged more than fivefold in the year to December thanks to a recovery in exports.

While that bodes well for the outlook for an export-led recovery, Bank of Japan Deputy Governor Hirohide Yamaguchi said the economy could linger in the doldrums until around the summer before getting back on a more sustainable course to recovery.

"We expect the recovery to continue, but the economy will be in a severe condition until the summer. Quarter-on-quarter growth won't be big, and we may even hit a soft patch," Yamaguchi told parliament's lower house budget committee.

Many analysts expect economic growth to slow down early this year as the government has suspended some public works project plans drawn up by the previous government to reallocate funds for its own policy steps.

The Bank of Japan in December decided to offer banks more short-term funds, caving in to pressure from the government for more action to fight deflation and support the economy ahead of elections in the summer.

But Monday's data showed that the cash is not spreading through the economy as funding demand remains anemic.

Bank lending fell 1.5 percent in January from a year earlier, BOJ data showed. That followed a 1.0 percent drop the month before and was the largest fall since September 2005. [JPBANK=ECI]

"The drop (in bank lending) is mostly a reaction to the sharp gain last year -- but it also shows that fund demand is weak even though banks are easing their lending attitude," said Junko Nishioka, chief economist at RBS Securities.

Bank lending has been falling in much of the developed world. U.S. bank credit slumped 7.3 percent in December. In the euro zone, bank loans to the private sector were flat in December after falling 0.7 percent in November.

Financial markets brushed off the Japanese data, with many market players more concerned about the fiscal woes in Europe.

CURRENT ACCOUNT SURPLUS JUMPS

Japan's current account surplus rose 452.8 percent in the year to December, supported by a recovery in exports, which some said would continue to support the economy. [JPCURA=ECI]

The balance of payments slipped to a rare deficit last January as the financial crisis battered exports and cut gains in overseas investments. It has been in the black since then.

"U.S gross domestic product is looking very strong, and emerging markets are also doing well, so Japan's exports are likely to remain strong for a while," said Yoshiaki Shinke, a senior economist at Dai-ichi Life Research Institute. "The risk of a double-dip recession in Japan is very small."

Japan's economy, the world's second biggest after the United States, has been growing since the second quarter of last year as government stimulus measures worldwide help to boost exports, particularly to China and other Asian countries.

But many firms are reining in business investment due to excess capacity, with capacity utilisation still about 20 percent below its level before the global economic crisis.

Still, a survey of taxi drivers, hotel employees, restaurant staff and other service sector workers called "economy watchers" for their proximity to consumer and retail trends found that sentiment improved for the second month running in January. [JPEWDI=ECI]

But economists say consumers are likely to tighten their belts due to falling incomes, fuelling concerns about deflation, where buyers put off spending to wait for yet lower prices.

The central bank has kept interest rates near zero and introduced several emergency funding schemes to help the economy recover from its worst slump since World War Two, but it has been bombarded by government calls for more.

Analysts say the government fears falling prices and a strong yen could push Japan back into recession ahead of upper house elections this summer. The government's own policy options are limited with national debt nearing 200 percent of GDP.

Japan's corporate bankruptcies fell 21.8 percent in January from a year earlier to their lowest level in more than two years, Tokyo Shoko Research said on Monday. [JPBARC=ECI]

But the total debt involved, at 2.6032 trillion yen (\$29 billion), was the biggest amount for the month of January since World War Two, due to the collapse of Japan Airlines Corp (9205.T), it said

(The Japan times) Obama to Toyota: 'act decisively'

WASHINGTON (Kyodo) U.S. President Barack Obama urged Toyota Motor Corp. to "act decisively" in the disclosure of safety issues following massive global recalls reaching around 8 million vehicles, according to the online edition of Business-Week on Thursday.

"Every automaker has an obligation when public safety is a concern to come forward quickly and decisively when problems are identified," Obama said in an interview with Bloomberg Business-Week.

"We don't yet know whether that happened with Toyota. That's going to be investigated," he added in his first public comments on the recent spate of safety troubles dogging the Japanese auto giant.

Meanwhile, Rep. Darrell Issa, a Republican from California and key member of the U.S. House Oversight and Government Reform Committee, urged Toyota President Akio Toyoda to testify before the Feb. 24 congressional committee hearing.

He added he would "fully support" a subpoena to force the appearance of Toyota's top executive if needed.

"Whether it is for a microprocessor engineer or the top executive, we have a duty to determine what Toyota knew, when they knew it and if they met their full obligation of disclosure to U.S. regulators and the American people," Issa said in a letter to Rep. Edolphus Towns, a Democrat from New York chairing the committee.

In a press conference earlier this week, Toyoda said he wants to visit the United States to give an explanation in his "own words" to the U.S. government and congressional members on the recalls that have tarnished the carmaker's reputation for quality.

Sources earlier said he plans to make the visit in early March.

In the interview with Bloomberg BusinessWeek, Obama also said the automaker will recover from the current woes, the latest of which includes a recall of about 437,000 vehicles worldwide to repair brake problems in its best-selling Prius and other hybrids.

"Obviously, Toyota has been an extraordinary automaker for a very long time, and I suspect that they will continue to be, despite this recent glitch," Obama said.

(The star online) 1 Japan said Wed machinery orders jumped 20% in Dec

TOKYO: Japanese machinery orders, a closely watched indicator of future business investment, rose in December for the first time in three months, the government said Wednesday.

Core machinery orders surpassed expectations, jumping 20.1 percent from the previous month to 751.2 billion yen (\$8.4 billion), according to the Cabinet Office report.

The figure excludes often volatile numbers from shipbuilders and electric power companies.

Kyodo News agency had forecast an average 8.2 percent increase to follow November's 11.3 percent decline to a record low.

The results suggest that Japanese companies are beginning to buy new equipment as export demand recovers.

But with the domestic economy rattled by deflation and falling wages, businesses remain cautious about major capital spending.

Orders from manufacturers climbed 17.1 percent, while those from non-manufacturers expanded 22.9 percent.

Overseas orders rose 20.9 percent.

Overall orders received by 280 Japanese manufacturers increased by 21.2 percent, thanks to precision instrument companies and iron and steel makers.

Core orders rose 0.5 percent for the October-December quarter but tumbled 26.9 percent for the 2009 calendar year.

The Cabinet Office predicts that in the January-March quarter, orders will expand 2 percent from the previous quarter. - AP

(CNN News) Japanese firm ordered to fix airline seats

Tokyo, Japan (CNN) -- The Japanese government has ordered repairs to seats aboard planes operating in several countries after accusing the manufacturer of falsifying safety test results.

Koito Industries Ltd. falsified fire- and shock-resistance test results in the design and manufacturing of its aircraft seats, the Japanese Transport Ministry said in a news release.

The company also failed to obtain the necessary approval from transportation authorities for the material it used in the back of seats, near the food tray drop-down, the ministry said.

The problem affects 150,000 seats.

The ministry has ordered Koito to fix the seats and establish quality-control measures.

The affected airlines operate in Japan, the United States, China and Singapore. The seats are mainly aboard Boeing and Airbus planes, The New York Times quoted Koito President Takashi Kakewaga as saying Monday in Tokyo.

Several airlines, including Continental Airlines, Singapore Airlines and All Nippon Airways, have postponed introducing aircraft recently because of delays in getting seats from Koito, the newspaper said.

Koito is Japan's largest supplier of aircraft seats, manufacturing them for 32 carriers worldwide. Koito also manufactures and sells electrical equipment and is involved in housing construction.

Toyota owns 20 percent of the shares of Koito Industries' parent company. The aircraft seat problem follows troubles with Toyota automobiles that have tarnished the company's image.

On Tuesday, Toyota's president apologized as he announced the global recall of more than 400,000 of the automaker's 2010 hybrid models, including the popular Prius, for problems in their anti-lock braking systems.

In addition, two problems involving gas pedals caused Toyota to recall 8.1 million vehicles worldwide since November.

(The Japan times) Temps again get short end?

Labor bill loopholes may let manufacturers still have 'disposable' ranks. The Hatoyama administration is working on an amendment to the job dispatch law in an effort to provide greater security to temporary workers hit by the economic slump.

But observers worry that the Democratic Party of Japan-led ruling coalition is backing away from a campaign promise to drastically overhaul the law. This threatens to leave nonregular workers out in the cold.

The dispatch law, which regulates employer use of temporary workers, was loosened in recent years under Liberal Democratic Party-led administrations. Until 1999, only a few job categories, including clerical and translation work, could be filled by temps. That year, the law was revised

to open up nearly all industries other than manufacturing and health care to temporary workers. Then in 2004, the law was amended to allow temps to work at manufacturers.

These changes allowed manufacturing firms to replace regular workers covered by costly job protections and welfare benefits with cheaper, and discardable, temps, who drew their pay from temp agencies.

When the global financial crisis struck in 2008, many temp workers were suddenly jobless, and, in many cases, homeless, especially those who had been provided company housing. Shigematsu Suzuki and Satomi Tsuchiya are among the casualties.

Suzuki, 36, had worked for nearly four years at a Mitsubishi Fuso Truck and Bus Corp. assembly plant in Kawasaki when he was let go in 2008. Under the law, companies have to hire temp workers directly after three years of employment, but Suzuki's status was switched to that of a "contract worker" to get around that requirement, he said at a union gathering in Tokyo in late January.

Tsuchiya, who worked as a designer at the Nissan Technical Center for over six years, was also refused regular employee status despite making numerous requests.

"My three-month-contract was renewed 25 times. After working for six years and three months, I was laid off last March because my contract was terminated," she said at the gathering.

The ruling coalition basically vowed to turn back the clock, by reimposing restrictions on which industries can hire temporary workers, believing that by undoing the previous labor market deregulation, more people will be hired as full-timers with greater job security.

While they were still in opposition last June, the DPJ, Social Democratic Party and Kokumin Shinto (People's New Party) submitted a bill to make the changes, but it never came up for a vote when the LDP-New Komeito bloc was in power.

Now Prime Minister Yukio Hatoyama's administration has started to thrash out details of the revision, with the labor ministry's policy council leading the discussion. The council, made up of labor experts and representatives from employers and unions, drew up a report in December recommending a ban on temporary workers in manufacturing.

Although they support the thrust of the changes, some labor law experts and union members say there are loopholes that will continue to allow employers to use nonregular workers as a "disposable workforce."

According to lawyer Yosuke Minaguchi, the council's report basically forbids short-term contracts, but there are exceptions. "Short-term contracts are allowed if they are likely to be renewed over a year," he said. This will not change the situation for temp workers like Tsuchiya.

Minaguchi also said the ruling parties should ensure temp workers receive the same treatment for equal work as regular workers. The council's report was vague on this point, he said.

The ruling parties have been discussing the contents of the report, which will influence the bill's contents. But some say that although the DPJ, which, while campaigning for last summer's election that brought it to power, promised to protect nonregular workers, it now seems to be seeking a balance between labor and management and has not been very critical of the report.

Masamichi Kondo, an Upper House member of the SDP who is working on the amendment, said Wednesday that negotiations with Ritsuo Hosokawa, senior vice labor minister and a DPJ member, have not gone smoothly.

"(The DPJ) doesn't seem to want to agree on completely banning the dispatch (of temps) to the manufacturing industry because it is being pressured by business leaders," Kondo said.

Kondo wants the law enacted as soon as possible. The report calls for the ban on temps at manufacturers to take effect within three years.

"We will stand firm in order to change the dispatch law, as that was the promise we made before the election and citizens supported us," he said, adding the coalition plans to submit a revised bill on the dispatch law to the current Diet session in March.

(The Japan Times) Toyota to reveal all safety fixes to mend image

NAGOYA (Kyodo) Toyota Motor Corp. will disclose more information on safety repairs it carries out that are not the subject of recalls, amid growing criticism that the automaker has covered up complaints about its best-selling Prius hybrid, company officials said Friday.

Automakers often make adjustments to new models in response to customer feedback, but such repairs are not usually publicized.

But Toyota has decided to make public information on the repairs it makes to core functions, such as braking and acceleration, even if the vehicles concerned are not the subject of a recall or a safety campaign, the officials said.

When automakers carry out a mandatory recall or voluntary repair in a safety campaign, they are required to disclose the information to the transport ministry or through their home page.

Toyota has come under intense scrutiny both at home and abroad after it was discovered that the automaker had been repairing the latest model of its Prius hybrid on a customer-by-customer basis following dozens of complaints it has received over brake problems.

Earlier this week, the world's largest automaker announced a recall of about 437,000 vehicles globally to fix brake problems in its new Prius and three other hybrid models.

(The Japan Times) H.I.S. now says it will aid Huis Ten Bosch rescue

Travel agency H.I.S. Co. said Friday it will provide financial assistance to struggling theme park Huis Ten Bosch in Sasebo, Nagasaki Prefecture, to help in its turnaround efforts.

H.I.S. said it has made the decision to aid in the rehabilitation of the theme park after judging it will help promote tourism in the region.

Sasebo Mayor Norio Tomonaga said at a news conference Friday that the city has decided to pay about ¥900 million annually for the next 10 years to H.I.S.

Meanwhile, H.I.S. Chairman Hideo Sawada said he wants to turn around the theme park and return it to profitability in two years, but added that Sasebo and Nagasaki Prefecture "should find another company to support them if the theme park will not turn around in three years."

According to an agreement signed by the parties involved, after the current company running Huis Ten Bosch reduces all its capital, H.I.S. will invest ¥2 billion, while four other companies, including Kyushu Electric Power Co. and Saibu Gas Co., will invest a combined ¥1 billion.

Sawada said the Tokyo-based H.I.S. will focus on attracting visitors from China and South Korea.

Following a request from the city of Sasebo, H.I.S. has been discussing with Sasebo and the Nagasaki Prefectural Government the prospect of assistance to the theme park since last fall and wrapped up financial negotiations with them Thursday.

Negotiations included giving H.I.S. exemption from real estate tax for 10 years and placing part of the theme park's facilities under public ownership.

Until recently, H.I.S. has said it would be difficult to provide financial assistance to the theme park, given the huge costs involved in repairing park facilities.

The company has estimated that up to ¥30 billion is necessary over five to 10 years to repair the facilities. The sum is far larger than the maximum ¥10 billion or so the travel agency says it can put up to aid the Dutch theme park.

(The Japan Times) ¥100 billion eyed for power, EV loans

Prime Minister Yukio Hatoyama's Cabinet endorsed planned legislation to offer ¥100 billion in low-interest loans to developers of electric cars and solar and nuclear power.

The government will offer financing at rates about 0.2 to 0.3 percentage point lower than ordinary commercial loans to developers of photovoltaic cells, lithium-ion rechargeable batteries and nuclear reactors, Tetsuya Hamabe, director of the trade ministry's industrial finance division, told reporters Friday.

The government wants to speed the development of next-generation clean energy technology amid an intensifying global race to capture the biggest share of the market for less-polluting power generators and vehicles.

From the fiscal year starting April 1, ¥100 billion will be offered, and that figure should expand to several hundred billion in the coming years, Hamabe said. The loans will help create jobs and achieve sustainable economic growth, he added.

The bill will be submitted to the ordinary Diet session running through the middle of June. The ministries of trade, agriculture and transportation will decide who is eligible if the legislation is passed, Hamabe said.

(The Japan Times) Nissan mulls new small-car partner after Suzuki-VW deal

Bloomberg---Nissan Motor Co. said it may need to find a new partner to manufacture its European small cars after Volkswagen AG bought a stake in Suzuki Motor Corp., which supplies Nissan's Pixo model.

"We don't know yet whether that strategy is still good with Suzuki joining Volkswagen," Nissan Executive Vice President Colin Dodge said Wednesday in an interview. "A lot of people believe not, and we're thinking about it."

Halting the Pixo would leave Nissan without a small, low-cost European model to compete with Fiat SpA's Panda and Volkswagen's Lupo in one of the few vehicle categories that is still

growing. It would create a new hole in Nissan's product planning after Chrysler backed out of a deal last year to supply cars and pickups. That commitment was canceled after Fiat bought a controlling stake in the U.S. carmaker.

A spokesman for Suzuki, Takuma Mizuyoshi, couldn't immediately be reached for comment. Volkswagen, Europe's largest carmaker, had no comment on whether the German manufacturer would try to cancel the Suzuki-Nissan partnership, according to spokesman Michael Brendel.

Nissan, Japan's third-largest automaker, hopes the supply deal will continue and doesn't have the volume or vehicle designs to make European city cars profitably itself, Dodge said.

The Pixo, a version of Suzuki's Indian-made Alto model, plugged a gap at the bottom of Nissan's European lineup when it was introduced in April as government incentives accelerated a shift in demand toward smaller, fuel-efficient cars.

Nissan is unlikely to abandon the city-car category if the Suzuki supply ends, Dodge said in the interview. "Affordable entry-level cars are going to become more relevant, and no big car company can afford to ignore that."

Wolfsburg, Germany-based Volkswagen plans to make use of Suzuki's small-car designs for its own future models.

Overseas mining rights law to take effect in July: official

Bloomberg

A law to help domestic companies acquire overseas mining rights is expected to take effect July 1, according to a government official.

The Cabinet will proceed with the legislation for Japan Oil, Gas and Metals National Corp., Tsuneyuki Kato, a director at the Ministry of Economy, Trade and Industry's natural resources department, said Friday.

Japan relies on imports to meet most of its natural resource needs and is the second-biggest importer of iron ore after China.

The ministry has prepared a bill that will allow state-owned JOGMEC to invest in foreign mines in collaboration with private companies as part of efforts to secure raw materials amid increased

competition from China and South Korea. It will also provide government guarantees to fund projects.

Under the proposed bill, JOGMEC can invest as much as ¥27.5 billion in overseas mines. Under the current law, it can invest only in overseas projects for oil and natural gas.

The bill will allow JOGMEC to provide government guarantees to help private companies get financing from lenders for mineral resources projects such as rare metals, base metals and iron ore, Kato said.

Economy probably grew most in almost two years, survey finds

Bloomberg

The economy probably grew at the fastest pace since the first quarter of 2008 as a global trade revival fueled demand for the nation's exports.

Gross domestic product rose an annualized 3.6 percent in the three months that ended Dec. 31, following a 1.3 percent expansion in the third quarter, according to the median forecast of 23 economists surveyed by Bloomberg News. The Cabinet Office report is due Feb. 15.

Nissan Motor Co. and Canon Inc. are among companies benefiting from stronger global demand as countries poured more than \$2 trillion into their economies to spur growth. Those gains have failed to reach consumers at home, where wages are tumbling and household outlays have been propped up by government incentives that are starting to wear off.

"Japan may be able to stave off a double-dip recession, given exports have done better than expected," said Takahide Kiuchi, chief economist at Nomura Securities Co. in Tokyo. "Still, it's questionable whether a recovery in domestic demand without the stimulus is possible and the economy is still highly dependent on overseas demand, underscoring the fragility of the recovery."

Asia led Japan's revival at the end of 2009. Shipments to the region surged 31 percent in December, the fastest pace in almost a decade, helping China overtake the U.S. as Japan's largest foreign customer on an annual basis. Demand from the U.S. is also improving after its GDP expanded the most in six years last quarter.

"The Asian economy is growing at a fast pace while the U.S. economy is picking up, a sign the global recovery is becoming more resilient," said Yoshiki Shinke, senior economist at Dai-ichi Life Research Institute in Tokyo.

Nissan, Japan's third-largest carmaker, this week forecast a return to profit for the year ending March 31, citing government incentives that boosted sales in China and Japan. Canon, the world's largest camera maker, is predicting its biggest annual profit increase in a decade amid revived global demand.

The economy expanded 0.9 percent from the previous quarter, the survey showed. Overseas shipments increased 5.3 percent in the fourth quarter from the previous three months, analysts surveyed said. Net exports, or shipments minus imports, may have added 0.5 percentage point to growth.

The Cabinet Office said last week that it will change the way it calculates exports and imports on a seasonally adjusted basis to account for the anomaly created by the financial crisis in 2008.

Consumer confidence rebounds as fears of new recession recede

Bloomberg

Household sentiment rose for the first time in four months as concerns that the economy will slip into another recession receded.

The confidence index climbed to 39 last month from 37.6 in December, the Cabinet Office said Friday.

The median estimate of seven economists surveyed by Bloomberg News was for sentiment to increase to 38.

A global trade revival and emergency government measures have sustained the country's rebound from its deepest postwar recession. Prime Minister Yukio Hatoyama won Diet approval for a ¥7.2 trillion stimulus package last month, a bill that economists say will help prop up spending by households faced with falling incomes.

"We're unlikely to see any big drops in consumer spending, as government measures will continue to support demand," Yoshimasa Maruyama, a senior economist at Itochu Corp. in Tokyo, said before the report was released. "At the same time, with wages this low, we'll have to wait until next year to see meaningful gains in consumer spending."

A report next week will show the economy grew at an annual 3.5 percent pace in October through December, driven by gains in overseas shipments, according to the median estimate of 25 economists surveyed by Bloomberg News.

Even so, 3.17 million people are still looking for work, with only 46 positions available for every 100 applicants. Wages slumped at a near-record pace in December as employers slashed winter bonuses to protect their profits.

Social Front:

Detailed News;

(BBC News) 14-year-old Manx schoolgirl is big hit in Japan

A 14-year-old Isle of Man schoolgirl has become an internet celebrity after she posted videos online of herself dancing and singing to Japanese pop songs.

Rebecca Flint, from Ramsey and known online as Beckii Cruel, has had millions of hits to her YouTube anime-style cartoon character performances.

A Japanese publishing company has picked up on her fame and she is set to release her debut album on Wednesday.

(The Japan Times) Record 85% favor death penalty

The percentage of people in favor of the death penalty has reached a record high, with 85.6 percent of survey respondents saying capital punishment is "unavoidable," according to a government poll released Saturday.

The highest percentage since the government began the surveys in 1994 indicates the public is seeking strict punishment for heinous crimes following a spate of such incidents, including a stabbing rampage in Tokyo's Akihabara district in 2008.

About 55 percent of respondents described the extension of the statute of limitations for capital crimes, including murder, to 25 years from 15 years in 2005 under the revised Code of Criminal Procedure, as "too short."

Of those who said the period is too short, 49.3 percent said the statute of limitations should be abolished, according to the survey.

For the latest survey, which is conducted every five years, the Cabinet Office polled 3,000 men and women aged 20 or older nationwide in November to December, receiving valid responses from 64.8 percent.

The proportion of respondents in favor of the death penalty rose by 4.2 percentage points from the previous survey in 2004, indicating that the number of people who hold such a view has been steadily increasing since posting 73.8 percent in the first survey.

Only 5.7 percent said the death penalty should be abolished, down 0.3 point from the 2004 poll.

In expressing their preference for execution, 54.1 percent said the feelings of victims and their families would not be satisfied if the death penalty were abolished, while 53.2 percent said perpetrators of heinous crimes should pay for their crimes with their lives.

In addition, 51.5 percent said they believe the number of such crimes would increase if the death penalty were abolished.

Of the respondents who said execution should be abolished, 55.9 percent said the perpetrators should be kept alive to pay for their crimes, while 43.2 percent said miscarriages of justice would be irrevocable if the death sentence were carried out.

In a related development, an advisory body to the justice minister proposed in January the abolition of the statute of limitations for crimes whose maximum penalty is the death sentence.

The Legislative Council will report its proposals to the justice minister shortly, and a bill to revise the Code of Criminal Procedure is expected to be submitted to the ongoing Diet session.

In the survey, respondents were allowed to give multiple answers to why they are in favor of the death penalty, seek the abolition of capital punishment and think the period of the statute of limitation for capital crimes is too short.

(The Japan Times) SDF troops leave for Haiti tour

About 160 members of the Self-Defense Forces left for Haiti on Saturday evening to engage in U.N. peacekeeping operations and help with reconstruction activities in the impoverished Caribbean nation devastated by a Jan. 12 quake.

The 160 form the first batch of the 350-member SDF unit, which is composed mainly of engineers and those providing logistic support for the group. The troops are expected to remove rubble, repair roads and build shelters for quake victims.

"Local people who have been suffering from the earthquake are waiting for your arrival. Fully applying the experiences that you gained through the Great Hanshin Earthquake (in 1995) and Niigata Chuetsu Earthquake(in 2004) to help people there," Prime Minister Yukio Hatoyama told members of the SDF unit who gathered at the Defense Ministry in Tokyo on Saturday afternoon.

Earlier in the day, a separate ceremony was held at a Ground Self-Defense Force garrison in Utsunomiya, Tochigi Prefecture.

"As representatives of Japan, we'd like to do our best to help the Haitian people," the head of the SDF unit, Col. Masaharu Yamamoto, told other members and their families during the morning ceremony.

The dispatch of the SDF unit is in response to a U.N. Security Council resolution adopted unanimously on Jan. 19 that calls for an increase of 1,500 police and 2,000 troops for the peacekeeping operation.

Refueling ships home Two Maritime Self-Defense Force ships returned home Saturday after winding up their refueling mission in the Indian Ocean in support of U.S.-led antiterrorism operations in and around Afghanistan.

The 13,500-ton supply ship Mashu and the 4,550-ton destroyer Ikazuchi arrived at Harumi Wharf in Tokyo Bay, marking the end of operations that began in the wake of the Sept. 11, 2001, terrorist attacks in the U.S. and continued almost uninterrupted for about eight years.

The government, led by the Democratic Party of Japan, let the law authorizing the MSDF operations expire in January on the grounds that demand for such operations had been declining in recent years.

(The Japan Times) Doctors arrested over patient's '06 death

NARA (Kyodo) Police arrested two doctors at a hospital in Nara Prefecture on Saturday on suspicion of professional negligence resulting in death in connection with an operation on a liver cancer patient in 2006.

Fumio Yamamoto, 52, former director of Yamamoto Hospital in Yamatokoriyama, and Yasuhiko Tsukamoto, 54, a doctor who was working for the hospital at the time, allegedly performed the operation despite the fact that they were not specialists in liver cancer.

Yamamoto, who is a specialist in cardiovascular surgery, has denied the charge of professional negligence, while Tsukamoto has admitted to the charge, they said.

In January, Yamamoto was given a jail term of 2 1/2 years over a medical fee fraud but filed for an appeal. He was released on bail Jan. 18.

The operator of the hospital has filed for bankruptcy procedures.

Prefectural police said Yamamoto and Tsukamoto performed the surgery to remove the cancer from the 51-year-old man's liver on June 16, 2006, even though they were not liver specialists. The man subsequently died due to large blood loss after a hepatic vein was damaged during the operation.

The doctors also failed to properly prepare for a possible transfusion, the police said.

The man's body has been cremated, but the police obtained the computerized tomography data taken before the operation and showed them to specialists in liver cancer. Those specialists said the tumor was benign, according to the police.

(BBC News) Chinese activist allowed home after living in airport

A Chinese dissident who lived at Japan's Narita International Airport for three months after China blocked his return has been allowed to go home.

Rights activist Feng Zhenghu said he was grateful to China, but that he would not give up his campaigning.

Mr Feng left China in April and since June has tried to return home several times but has been denied entry.

He set up camp in the airport last November in protest, living on donated food and blogging about his situation.

(The Straits times) Activists ambush whalers

SYDNEY - ANTI-WHALING activists said on Tuesday they had exchanged water cannon fire with Japanese fishermen after ambushing them in Antarctic waters.

The Sea Shepherd group, which has been pursuing the fishing fleet since December, said its Steve Irwin ship waited behind an iceberg before surprising Japan's Nisshin Maru whaling boat.

Monday's clash came just two days after Sea Shepherd accused the Japanese of deliberately ramming its Bob Barker vessel and leaving a one-metre-long gash in its stern. Last month, the group's futuristic Ady Gil powerboat was sliced in two and sank after a collision with one of the Japanese ships.

The activists claim to have saved the lives of hundreds of whales by harassing the annual hunt, which kills the animals using a loophole in an international moratorium which allows 'lethal research'.

'It does not matter where they go, east or west along the Antarctic Coast,' said Steve Irwin First Officer Locky MacLean. 'We intend to stick to their rear like glue and we will not allow a single whale to be loaded onto the decks of that foul floating abattoir.'

Australia and New Zealand have called for restraint from both sides with the activists deploying laser-like devices and stink bombs, and the Japanese fleet operating military-style acoustic weapons. -- AFP

(The Japan Times) Japanese women scoop up gold medals at Paris Grand Slam

World champion Misato Nakamura downed Ana Carrascosa of Spain in the 52-kg final as Japanese women swept gold in all three weight categories on the first day of the Grand Slam meet in Paris on Saturday.

Emi Yamagishi took out countrywoman Tomoko Fukumi in the semifinals before going on to beat local favorite Frederique Jossinet in the 48-kg final.

Kaori Matsumoto completed the Japanese women's success with a win over Frenchwoman Morgane Ribout in the 57-kg final.

Yoshie Ueno settled for bronze after losing to Anicka Emden of the Netherlands in the 63-kg semifinals.

Hiroyuki Akimoto posted the best result among Japanese men, finishing runner-up to South Korean Wang Ki Chun in the 73-kg final.

(The Straits times) Dead man in jet landing gear

TOKYO - JAPANESE authorities have found the body of a man in the landing gear of a Delta airliner that arrived in Tokyo from New York and said on Monday they were seeking US help in identifying him.

The man, who was of dark complexion and dressed only in blue jeans and a long-sleeved shirt, was carrying no passport or personal belongings.

A mechanic found the body in the landing gear bay of the Boeing 777 after Delta Flight 59 landed at Tokyo's Narita International Airport at about 6.05 pm local time on Sunday, a Chiba prefecture police spokesman said.

'Doctors say he probably froze to death and that he suffered a shortage of oxygen at an altitude of more than 10,000 metres (about 30,000 feet),' said another police official, Narita airport station spokesman Yoshimi Ichihara.

'We found no passport, no bag and no personal belongings. If he carried any luggage, it must have all dropped out when the airplane opened up the hatch of the landing gear bay above the ocean before it landed.'

Japan was seeking help from US police to identify him, he said.

(The Japan Times) Bigger handouts urged to spur births

Government efforts to increase the birthrate by doling out child care handouts may not bear fruit because the amount is too small to ease women's financial worries, according to a Daiwa Institute of Research survey.

The Democratic Party of Japan-led government may need to provide a monthly child care allowance of ¥50,000 to ¥100,000 to solve the shrinking population problem, Yuji Mori, a researcher at Daiwa, wrote in a report this week. That's up to four times more than the ¥26,000 planned by the DPJ.

The population is forecast to fall from the current 127 million to less than 100 million within 40 years, according to the National Institute of Population and Social Security Research. Fewer workers and taxpayers will make it difficult to bolster economic growth and repay the world's largest public debt.

Three-quarters of the 700 women in their 20s and 30s surveyed by Daiwa said they are worried about the costs of having a child. Of those respondents, fewer than half said the proposed amount will be enough to ease their concern.

Japanese women give birth to 1.37 children on average in their lifetimes, statistics bureau data for 2008 show. The DPJ plans to introduce monthly handouts of ¥13,000 per child in the year starting April 1 and double the amount to ¥26,000 in the following fiscal year.

"The sufficient amount is somewhere between ¥50,000 and ¥100,000," said Susumu Okano, operating officer at Daiwa. "Financial factors always arise when deciding to have a baby."

(The Japan Times) Campus nurseries help new moms cope

Sayaka Shibata, 31, a graduate student in a medical research lab at the University of Tokyo, might not have returned to the lab after maternity leave if the university did not open an on-campus nursery.

Launched in April 2008 on the Hongo main campus, the nursery for children of teachers and graduate students stays open until 9 p.m. in consideration of scientific researchers who are often engaged in time-consuming experiments.

It is a child-raising support measure being adopted by an increasing number of universities across Japan to prevent female researchers from forgoing their careers after having children.

"Research makes rapid progress, so it is difficult to take a long leave," Shibata said as she came to the campus nursery to pick up her child. "I could come back soon after giving birth thanks to this facility."

The university benefits by retaining competent researchers, the education ministry says.

"The purpose of opening the nursery was not welfare but was linked to the strategy of the University of Tokyo to win in international competition," said Akiko Tsugawa, a professor in charge of gender equality at the university.

"Many brilliant women, mostly in areas of science, have given up their research for the reason of child-rearing," she said.

"By offering child-raising support, we hope to lift the ratio of our female teachers to the levels of 20 to 30 percent seen at major universities around the world from the current 9 percent."

According to the government, the ratio of women among scientific researchers at universities and companies is only 13.0 percent in Japan, compared with 34.3 percent in the U.S., 29.9 percent in Italy and 27.8 percent in France.

Concerned that Japan will lag behind other countries unless it secures capable female researchers, the education ministry began backing up universities with child-raising support programs in April 2006.

The University of Tokyo is not alone in its program. Universities nationwide, including Tohoku University, Osaka University and Kyushu University, have also set up campus nurseries at their own expense.

Nihon University is considering a day care service for sick children, who are usually asked not to attend nurseries until they get well.

Shizuoka University, Kobe University, Kanazawa University and Hiroshima University are among schools that provide assistants to female researchers who are raising children.

"It would be impossible to engage in research while raising children without Ms. Tani," said Rie Kusakabe, 38, a biology researcher at Kobe University's graduate school who has three children of preschool to school ages, referring to her assistant, Saori Tani.

Because Tani, a 25-year-old second-year graduate student, helps with her research, Kusakabe can go home in the evening even if an experiment is under way, leaving the remaining work to Tani.

"Having associated with Ms. Kusakabe, I have come to feel hopeful about the future, that it is possible to do research while raising children," Tani said.

Kashiko Kodate, a professor emeritus at Japan Women's University who has endeavored to support female researchers, said she believes Japan will not be able to lead the world in science and technology unless more of a helping hand is given to female researchers with kids.

"There will be no future for Japan as a science and technology powerhouse as it hopes to become unless the government encourages this trend," she said.

(The Japan Times) Youth held in killings; kidnapped girl safe

SENDAI (Kyodo) An 18-year-old boy was arrested Wednesday after allegedly stabbing two women to death and wounding a man at a house in Ishinomaki, Miyagi Prefecture, before abducting his former girlfriend, according to police, who had gone to the home the night before due to a reported intruder but left empty-handed.

The police rescued the 18-year-old abductee and arrested the youth, who is from the Miyagi town of Higashimatsushima, along with another youth who was with him, both on suspicion of abducting a minor and holding her captive.

The fatalities were identified as Misa Nambu, 20, the sister of the abducted girl, and Mikako Omori, 18, a high school student who was the abductee's friend, the police said. A hospital confirmed the deaths. The other victim, a 21-year-old man, sustained minor stab wounds. He reportedly is a friend of the abductee, who has a 4-month-old girl.

The kidnapped girl had sustained minor wounds. Last year she had told police that the suspect was stalking her and had assaulted her.

The stabbings took place shortly after 6:30 a.m. and the youth fled the scene by car with the girl.

The police had received an emergency call from Nambu on Tuesday evening saying a man had broken into their house.

When they arrived, however, he was not there.

The abducted girl and her baby shared the home with her sister, 46-year-old mother and 73-year-old grandmother, according to the police.

The baby, mother and grandmother were safe.

The house is in a neighborhood about 1 km northwest of JR Ishinomaki Station.

(The Straits times) Strong quake strikes

TAIPEI - A STRONG earthquake of at least 6.3-magnitude struck under the seas off Taiwan and Japan on Sunday, seismologists said, but there were no immediate reports of casualties.

The Hawaii-based Pacific Tsunami Warning Centre and Taiwan's seismology service did not issue any immediate tsunami warning, although the Japanese weather agency issued a minor tsunami alert.

The Japan Meteorological Agency calculated the quake's magnitude at 6.6, exceeding the US Geological Survey's estimate of 6.4 and the Taiwanese Seismology Centre's estimate of 6.3.

The quake struck at 3.10 pm (0610 GMT, 2.10pm Singapore time) at a depth of 16.5 kilometres below the sea floor, 115 kilometres south of Japan's Ishigaki island and 225 kilometres southeast of northern Taiwan, the USGS said.

The quake struck in Japanese territory, south of the Okinawa island chain.

The Japanese agency said a tsunami with a height of 0.5 metres was expected along the shores of some of the archipelago's southern-most islands. -- AFP

(The Japan Times) Weather news takes over retired icebreaker

YOKOSUKA, Kanagawa Pref. (Kyodo) The decommissioned icebreaker Shirase was handed over Wednesday to its new owner, the forecasting company Weathernews Inc., after 25 years of service supporting Japan's Antarctic expeditions.

The vessel will go on display in Tokyo Bay at Funabashi port in Chiba Prefecture in early May.

Its successor, also named the Shirase, is participating in the current Antarctic expedition.

Weathernews is planning to hold various events on such topics as climate change and other environmental issues aboard the ship.

"We'd like to designate the ship as a symbol of global thinking on the environment," Hiroyoshi Ishibashi, president of Weathernews, said in a handover ceremony at the Maritime Self-Defense Force's Yokosuka base in Kanagawa Prefecture.

About 150 people, including MSDF personnel and employees of the weather information company, attended the ceremony.

The Shirase was towed out of Yokosuka in the morning for renovations in Yokohama.

As Japan's third icebreaker, following the Soya and the Fuji, the venerable 11,600-ton vessel carried about 1,400 expedition members to Antarctica in 25 expeditions starting in 1983.

After it was decommissioned in 2008, candidates applied to purchase the vessel but a deal was not struck at that time due to disagreements over the price.

The government decided in October 2008 to scrap the vessel.

But potential buyers were sought again last summer partly because of falls in metal prices as well as public calls for its preservation.

(The Japan Times) Japan warming to child-custody treaty

Japan is mulling the possibility of becoming a party to an international treaty on child custody, Foreign Minister Katsuya Okada told British Foreign Secretary David Miliband on Wednesday evening during their telephone chat.

Japan has been urged to join the Hague Convention on the Civil Aspects of International Child Abduction, which aims to prevent a parent in a failed international marriage from taking offspring across national borders against an existing child custody arrangement.

Given an increasing incidence of Japanese parents "abducting" their children to Japan even though their spouses of different nationality have custody over the children, Miliband stressed the need to rectify the problem.

Miliband quoted Okada as saying, "I fully recognize the seriousness of the issue," according to the Foreign Ministry.

(The Japan Times) Former sex slaves demand apology

SEOUL (Kyodo) A group of women in South Korea forced to serve as sex slaves for Japanese soldiers during the war delivered a letter to the Japanese Embassy on Wednesday demanding an official apology and redress from Tokyo.

Delivery of the letter, which bears the signatures of 87 surviving "comfort women," was timed to coincide with a visit to Seoul by Foreign Minister Katsuya Okada, who was scheduled to arrive late Wednesday.

(The Japan Times) IT firm execs held for padding sales

YOKOHAMA (Kyodo) Prosecutors arrested two former executives of a bankrupt information system firm Thursday on suspicion of submitting false earnings reports with padded sales.

The Yokohama District Public Prosecutor's Office arrested Ikuo Suesada, 62, former chairman of Niws Co., and Koichi Omura, 68, former vice chairman of the company, after joint investigations with the Securities and Exchange Surveillance Commission.

Niws has made public that there was illicit trade concerning ¥68.2 billion in sales in its five business years through June 2007.

The two former executives are suspected of being responsible for window-dressing the company's earnings report for the year that ended in June 2006, when it reported sales of ¥77.2 billion and a pretax profit of ¥5.7 billion.

The prosecutors and the commission have obtained a memo indicating the former chairman instructed his subordinates to window-dress the earnings report, investigators said.

Earlier, the former chairman said there had been no false earnings reports by the company and he had never ordered such conduct.

The company's debts exceeded its assets by about ¥4 billion in its earnings report for the year to June 2007. The chairman and other executives stepped down in the fall of that year to take responsibility for the situation.

Niws was set up in 1992 as a joint venture by IBM Japan Ltd. and Nomura Research Institute.

(The Japan Times) Motherless families to get aid under bill

Prime Minister Yukio Hatoyama's Cabinet endorsed a bill Friday intended to expand the scope of child allowance beneficiaries to cover not only low-income fatherless families but father-only ones as well, officials said.

The government hopes to gain Diet approval for the bill in the current 150-day ordinary session, which started Jan. 18, with an eye to having the legislation take effect Aug. 1.

Child allowances for low-income single-parent families are paid three times a year — in April, August and December.

If things go smoothly, low-income father-only families would be given child allowances for the first time in December, the officials said.

The number of father-only households receiving such allowances would total about 100,000.

The allowances would range from ¥9,850 to ¥41,720 per child a month, depending on the level of the beneficiary's income.

This allowance for low-income single-parent families is separate from the allowance Hatoyama's government plans to start providing to child-rearing families in fiscal 2010, which begins April 1.

Hatoyama's government plans to provide ¥13,000 per child a month to child-rearing families in fiscal 2010 and to increase the amount to ¥26,000 from fiscal 2011.

(The Japan times) Man faces H.K. trial for Kobe heist

The government says the cost of child-rearing should be borne not only by parents but by the whole of society.

HONG KONG (Kyodo) A Hong Kong man charged with trafficking stolen watches was in Japan when a theft was reported at a department store in Kobe last year, a Hong Kong court was told Thursday.

Lee Kui-man, 46, appeared in the Kwun Tong Magistrates' Court on charges of "handling stolen goods." He was arrested last month at a border checkpoint on his way to mainland China with nine stolen watches, eight of which bear serial numbers that linked them to a Daimaru department store in Kobe.

Lee's immigration data showed he was in Japan in June when Daimaru reported the theft, the court was told. The court ordered Lee to remain in custody, as requested by the prosecution.

Detective senior inspector Ralph Yeung, responsible for Lee's case and another jewelry heist in Tokyo's Ginza shopping district in December, said Lee was arrested along with five other people Jan. 12 following tips from local and Japanese police.

Hong Kong police said they found brand-name watches, necklaces, rings and cash worth around 25 million Hong Kong dollars (about ¥290 million) in their homes and in three safe deposit boxes

(The straits times) Japan proposes whaling deal

TOKYO - JAPAN will propose scaling down its troubled annual whale hunt in Antarctica on the condition that it is allowed to whale commercially in its own coastal waters, a fisheries official said on Wednesday.

Tokyo will present its proposal to the International Whaling Commission (IWC) at its annual meeting in Morocco in June, the official said, even though a similar plan was rejected by the 85-nation body last year.

Japanese whalers kill hundreds of the mammals a year in Antarctic waters, where their fleet has repeatedly clashed in recent months with militant environmental activists of the Sea Shepherd society.

Commercial whaling has been banned worldwide since 1986, but Japan justifies its hunts as scientific research, while not hiding the fact that the whale meat is later sold in shops and restaurants.

Agriculture Minister Hirotaka Akamatsu this month said he would like to submit the proposal personally at the IWC, and that Japanese officials were already in talks with other nations on reaching a compromise.

The body has been deadlocked in recent years by divisions between countries such as Japan that say the dangers of whaling are exaggerated and other nations like Australia which want the whaling ban to be kept in place.

(The Japan Times) Panel outlines fee hikes for hospital physicians

An advisory panel to the health minister outlined a comprehensive review Friday of fees paid for medical services, proposing raises for physicians working at hospitals.

It will be the first revision of standard remuneration for medical services — medical treatment and drugs — under the government of Prime Minister Yukio Hatoyama, which has made improving the nation's medical services a key policy goal.

The issue is high on the agenda of the Hatoyama administration in light of declining morale among doctors at hospitals because of their heavy workload and relatively low payment, and the consequent shortage of medical staff.

The panel proposed raising overall remuneration for medical services provided under the national health insurance system by 0.19 percent, the first increase in 10 years.

The panel recommended the standard fee be set at a uniform ¥690 for a patient's second or later visit to a medical facility. The proposal comes in response to the fact that physicians at clinics usually earn more than those working for hospitals.

At present, the standard fee is ¥710 for doctors in private practice and ¥600 for hospitals with up to 199 beds. The revision of fees would be the first in 26 years.

To better reward doctors at hospitals, the panel also proposed an additional ¥440 billion budget in fiscal 2010 for treating patients who are hospitalized.

The panel proposed higher remuneration for medical services in such specializations as emergency care, obstetrics, pediatrics and surgery. Doctors in these fields claim the current remuneration levels do not reflect their actual work, resulting in a shortage of medical staff.

The panel also said medical clerks should be paid more in view of the heavy workload at hospitals.

Also proposed were an increase of 30 percent to 50 percent in remuneration paid for surgical procedures requiring highly advanced skills, and higher remuneration for medical facilities that answer patient queries 24 hours a day.

The panel proposed that medical facilities, including small clinics, must issue free itemized bills for medical services to patients. This proposal is meant to increase the transparency of medical services.

All the measures, if finalized by the health ministry, will take effect in April.

Remuneration under the public insurance system covers about 5,400 medical treatments. For each service rendered, the patient shoulders 30 percent, in principle, with the remainder covered by the insurance system.

Standard fees for medical services are reviewed every two years.

(The Japan Times) Prosecutors rest with call to acquit Sugaya

UTSUNOMIYA, Tochigi Pref. (Kyodo) Prosecutors Friday called in court for the acquittal of a man being retried for the 1990 murder of a 4-year-old girl in Ashikaga, Tochigi Prefecture, admitting the defendant was wrongfully charged and apologizing for making him serve 17 years in prison.

Toshikazu Sugaya, 63, who was convicted and sentenced to life on the basis of an initial confession and DNA evidence, was released from prison last year after a fresh DNA test refuted the earlier test.

The judicial process to clear his name began in October and he is expected to be acquitted in a ruling to be handed down March 26.

"It is obvious that a not-guilty sentence should be handed down," said one of the prosecutors in their closing argument at the Utsunomiya District Court.

"Indicting Mr. Sugaya, who is not the true culprit, and (subsequently) forcing him to serve 17 long years in prison is something that cannot be taken back, and we are sincerely sorry for it," he added.

Since his release, Sugaya has repeatedly demanded an apology from the prosecutors, the court and others involved in the case. But the prosecutor in charge of the initial investigation has refused to offer one.

"I want to be given a proper explanation why this happened and who is responsible for this," said Sugaya in his final statement in court, describing the years of incarceration as "hard and painful."

His lawyers also called for acquittal, saying Sugaya's confession to the murder of Mami Matsuda was not given on a voluntary basis and the initial DNA test that led to his conviction was a "total failure" that could not serve as evidence.

(The Japan Times) School lets boy with gender identity disorder try attending as girl

SAITAMA (Kyodo) An 8-year-old boy who suffers mental woes caused by gender identity disorder has attended a public elementary school as a girl since last fall, a local board of education in Saitama Prefecture said Friday.

The decision was made to make school life comfortable for the second-grader, who has had a desire to "become a girl" since kindergarten and began to feel distress after entering the elementary school and feeling pressured to stand when he had to urinate, officials of the board said.

The school continues to keep him designated as a boy on its register.

There was a past case, in Hyogo Prefecture, where a boy was accepted to school as a girl. But registering such a change while a pupil is in school is rare. Schools generally struggle to cope with the agony children face with the disorder.

The Saitama pupil was diagnosed last March as having gender identity disorder, a term used to describe people facing a gap between their biological and mental sexual orientations. The child's doctor recommended that treating the pupil as a girl would make school life an easier adjustment.

After the diagnosis, the school told other pupils about the boy and the circumstances arising from his problems last September when they returned from summer break.

(The Japan Times) Girl works to empower poor kids

Volunteer fosters entrepreneurs in recyclable fashions in Asia

At age 16, Carmina Mancenon is a social entrepreneur. She is excitedly preparing to launch a project this summer in the hope of raising awareness of the poverty in Southeast Asia.

"It is a youth-led micro-finance organization to combat poverty through fashion," said Mancenon, a Philippine national living in Tokyo who attends K. International School in Koto Ward.

The project, Stitch Tomorrow, aims to support teens in the Philippines and Indonesia who live in poverty to create their own fashion lines using secondhand materials.

In general, micro-finance is a type of small-lot lending for low-income people. Many borrowers use their loans to start small businesses or find ways to secure a steady income to escape poverty.

According to Mancenon, the Stitch Tomorrow scheme aims to provide capital and education to underprivileged teens to create their own fashion line made of recycled materials. Privileged youths support them as volunteers to establish their business or market their products on their behalf.

Mancenon said she chose fashion to be part of the micro-finance project because it was what many young people are interested in. "I think taking people's interest and using it in a good way is how you can get them involved and how they want to be involved," she said.

Designs will be negotiated and created together with youths in both developed and developing countries. "Ultimately, what I hope to achieve is to create fashion lines that involve all youth. (Interacting with local youth) indirectly gets privileged kids interested in social issues," Mancenon said.

The clothes manufactured in the Philippines and Indonesia will be sold on the Stitch Tomorrow Web site, which opened Friday. Online donations can also be made there, she said.

Mancenon is actually working together with an Indonesian counterpart in Australia whom she communicates with regularly online. The two have already made experimental clothes from materials found in a garbage dump in Jakarta. They uploaded photos of the clothes and posted them on Facebook. "A lot of (Facebook members) messaged me saying they want the clothes already," she said.

In fact, Mancenon recently shared this idea in Davos, Switzerland, where she attended the World Economic Forum held at the end of January as one of six young social activists among over 1,200 applicants aged from 16 to 25 from 44 countries. Mancenon met her Indonesian project partner during the selection process.

The young representatives were selected by Global Changemakers, a group run by the British Council that supports young social entrepreneurs and volunteer workers.

"It was an experience I never thought I would be able to grasp, or even to be there," said Mancenon, recalling how overwhelmed she was during the forum. "It was amazing to wake up every single morning and go to this conference where every person you see is successful in a unique way . . . I just see these people making their dreams come true, so it encouraged me to even dream higher," she said.

At Davos, she made a presentation in front of an audience of 100 about Stitch Tomorrow. As she continues working on the project, she hopes to gain professional support from established entrepreneurs she met during the forum.

Being a high school student requires Mancenon to study for four to five hours after school, but she still manages to find time for social activity. "I find it more fun to devote to (the project)" than to spend free time playing video games, she said.

Mancenon became aware of social issues, especially poverty in developing countries, at a very young age. Having been raised in Tokyo due to her father's engineering job, she was shocked to move back to the Philippines and witness the disparity. "I was being exposed to a really vibrant, clean and developed city. I was so used to the lifestyle," she recalls.

In the Philippines, she went to an international school, commuting by air-conditioned car. "I saw these kids, barefoot child beggars, just walking out there wanting money, and I was in the air-conditioned car. It was really uncomfortable," she said. "It's hard not to get involved when somebody is able to see poverty, not just in movies or books, but see it in real life."

Mancenon returned to Tokyo at age 10 and when she turned 12, she started doing volunteer work, including helping a homeless shelter in the Ueno district. She also participated in a nongovernmental organization that helps build homes in developing countries, and traveled to Thailand to actually build one with other Japanese students.

What really keeps her motivated to continue the activity, she said, is the vision she carries. "I'm able to imagine how I want the world to look. Seeing that come true every single day while doing the project, and the transition from being nothing to slowly becoming something keeps me motivated."

After the experience at Davos, she said she is now trying to take her activism and entrepreneurship "forward to a more international approach."

"I guess it sounds kind of cliché, but (the forum) really inspired us," she said.

Mancenon, who will enroll in university either in the U.S. or U.K. this summer, said she hopes to become a biomedical engineer in the future and integrate it with her social entrepreneurship.

(The Japan Times) Poor aged moms grope to help adult offspring financially cope

While it is true that parenting is lifelong work, in Japan, some elderly mothers are struggling as they try to help their grownup sons and daughters make ends meet despite their own financial difficulties.

There are increasing cases where elderly women living alone squeeze out their pension benefits — their only source of income in most cases — to financially support offspring who have seen their incomes fall or lost their jobs due to the tough economic situation.

"I just can't help but do something as a mother," said a 78-year-old woman in Tokyo who gives ¥20,000 out of her ¥110,000 in pension benefits every month to her married son.

"My son's pay has been cut due to the economic downturn. And I just hope that (my money) could be used for my grandkid's college tuition," said the woman, who lives by herself in an apartment run by the Tokyo Metropolitan Government.

Yoshiko Akutsu, a member of the Japan Pensioners' Union, sees a growing number of women, especially those whose husbands have passed away, coming and asking for help because they are in financial difficulty due to supporting offspring, who, while grown up, are not financially independent.

"If you have a husband, then you can make ends meet because you have pension benefits for both of you," she said. "But you face a problem when your husband dies and the total amount of pension benefits goes down."

While Japan is known as a country of longevity, the average life expectancy is considerably longer for women than for men — around 86 years and 79 years — so chances are high wives will survive their husbands.

Many elderly women, however, are able to receive only a limited amount of pension benefits because until April 1986 women who were dependent on employed husbands were not obliged to join the national pension system.

A 2008 survey by the Cabinet Office revealed that elderly women who lived by themselves were in a more severe financial situation than elderly men who lived alone.

(The Japan Times) Japanese, S. Korean women's soccer champions to play in March

The Japanese and South Korean women's league champions will meet in Saitama on March 27, Japan Women's Football League said Friday.

In the first championship of its kind, Urawa Reds Ladies will take on Daekyo Kangaroos at Komaba Stadium.

The two women's leagues hope the championship will serve as a stepping stone for the possible establishment of what the Asian Champions League already has for men's soccer.