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Summary of Report

South Korea

Politico-Strategic Front;

'Parliamentary Role in Aid Policy Should Be Greater'

The National Assembly should be allowed to exert more power and influence than it does now when it comes to crafting and implementing aid policies for poor nations, a foreign policy researcher said. Pragmatists claimed that the Ministry of Finance and Strategy should oversee all ODA, adding policymakers need to be convinced that assistance to poor nations will pay off in the long run. Meanwhile, idealists proposed that the Ministry of Foreign Affairs and Trade handle both aid and loan programs.

Opposition Urges Assembly Probe Into Sejong Plan

Opposition parties will submit a bill calling for a National Assembly investigation of the government's revision of the Sejong City project today, a parliamentary source said Monday.

But chances of the passage of the bill are slim as the governing Grand National Party (GNP) controls 169 seats, more than half in the 299-member legislature. The main opposition Democratic Party (DP) has argued that the ruling party and Cheong Wa Dae have politicized the initial plan by revising it, and have manipulated the media to create favorable public opinion.

6-Party Talks Likely to Resume Soon

Foreign Minister Yu Myung-hwan said Wednesday that the deadlocked six-party denuclearization talks are likely to be resumed soon. The minister added that he cannot point to a certain date but the six-way talks are likely to be resumed sooner rather than later. North Korea declared that it would boycott the multilateral forum aimed at ending its nuclear programs after the United Nations imposed sanctions over its nuclear test in May last year.

Ruling Party to Adopt Stance on Sejong City Plan

Tension is mounting at the National Assembly as opposition parties submitted a bill that calls for a parliamentary investigation into the government's move to revise the Sejong City project amid continued feuding within the governing party.

Korea Stepping Up Efforts to Upgrade Image

The Lee Myung-bak administration will introduce a further set of measures to enhance the country's overseas reputation ahead of the G-20 Seoul Summit in November, in addition to its plans to increase development assistance to poor nations, the Office of the Prime Minister said Tuesday. Prime Minister Chung Un-chan held a meeting with advisors from the private sector in the morning to develop such policies.

East Asian Security Framework Planned

South Korea, Japan and China are discussing establishing a tripartite security framework this year, Seoul officials said Monday. Senior defense officials from the three countries will discuss their security and military cooperation in the region on a regular basis, the officials said.

This issue was a lead topic during an MND meeting with South Korean diplomatic mission chiefs abroad last week, they added.

'1-Strike-You're-Out' Penalty Adopted for Seoul's Civil Servants

Seoul's 25 district offices will adopt City Hall's "one-strike-and-out" system, an anti-corruption measure under which civil servants are fired after being found to be involved in corrupt behaviors. Sixteen organizations under the wing of the Seoul Metropolitan Government are also

expected to introduce this system. According to officials of the city government and district offices, civil servants will be dismissed after being caught for taking bribes or embezzling public funds.

US to have nuke power plant

AT A time of economic blight when the administration is trying to create a new generation of clean energy jobs, Mr Obama said the investment in nuclear power would pay off in employment opportunities in years to come

Deputy FM to Visit 4 African Nations

Deputy Foreign Minister Lee Yong-joon will begin a weeklong trip to four African countries from Sunday to prepare for a possible visit by President Lee Myung-bak to the continent later this year. He will visit Ethiopia, Tanzania, Morocco and Cote d'Ivoire (Ivory Coast)

US Defense Firms Considers Transparency Pledge

Representatives from U.S. defense firms doing business here have discussed the idea of submitting a declaration of transparency to Cheong Wa Dae, amid Seoul's crackdown on irregular weapons acquisition deals, an industry source said Friday. During a meeting at the American Chamber of Commerce (AMCHAM) in Korea in Seoul, Tuesday, some of the executive officers complained that the proposed policy to fight corruption in arms deals was too rigid and not realistic, the source said, requesting anonymity.

North Korea warns the South of naval firing exercises

North Korea says the firing is part of a regular military drill. North Korea has declared four naval firing zones near its disputed sea border with South Korea, South Korea's Joint Chiefs of Staff said. The South Korean news agency Yonhap says the North has deployed multiple rocket launchers close to the frontier.

Quarter of world countries to receive Korean ODA

More than a quarter of 191 U.N. member nations will receive development assistance this year from Korea, as the country sets aside more money for aid projects to take on a greater role in the international community, an official said Friday, according to Yonhap News. Korea increased the amount of its official development assistance to nearly 420 billion won (\$362 million) from some 354 billion won last year, up over 18 percent, according to Kim Min-jong, an official at the Korea International Cooperation Agency.

S. Korea, US to scale down drill

THE United States and South Korea will go ahead next month with a major annual military exercise set to anger North Korea but fewer US troops than last year will take part, officials said on Thursday. North Korea denounces the exercise and other annual military drills in the South as a rehearsal for invasion, a claim denied by Seoul and Washington.

Economic Front;

Smartphone softwares, Android phones to dominate this year's mobile show

This year's Mobile World Congress opens on Monday in Barcelona with more than 1,300 companies in attendance to showcase their latest products and technologies, as mobile software draws increased attention amid close competition in the fast-paced sector, Yonhap News said.

LG Electronics wins patent dispute with Whirlpool

Korea's LG Electronics Inc. said Monday that it has won a patent dispute with U.S. appliance maker Whirlpool Corp., ending years of conflict that threatened the suspension of sales of related LG products in the American market, according to Yonhap News.

Korea's import prices log decline in 3 months in Jan

Korea's import prices fell for the first time in three months in January as the local currency's gain against the U.S. dollar outweighed the impact of rising oil prices, the central bank said Monday, according to Yonhap News.

East Asian Free Trade Pact Planned

Korea will launch a joint research project with Japan and China in April in a bid to push for a tripartite free trade deal, the Ministry of Foreign Affairs and Trade said Wednesday.

The move comes as the three countries agreed to cooperate on a free trade agreement (FTA) at their summit last October. A report on the plan was presented to a session of the National Assembly committee on foreign affairs, trade and unification later in the day.

Rising Debt Threatens Fiscal Soundness

Korea's fiscal soundness is at a risk as the national debt is quickly rising, a parliamentary think tank reported, Monday. The National Assembly Research Service (NARS) said the nation's debt

to the gross domestic product (GDP) ratio has increased at a rapid rate since 2002. The think tank noted that the country should be wary of the deteriorating fiscal soundness and snowballing public debt, given that state welfare spending is expected to quickly rise without additional tax revenues.

Korea, China Compete in Rail Deals

With the commercialization of the indigenous KTX-II, the world is taking notice of Korea's expertise as an operator and manufacturer of bullet trains with speeds of over 350 kilometers per hour. It is with this new train that the country's railway industry will seek to impress the organizers of some of the world's most lucrative high-speed railway projects in locations such as Brazil, the U.S., China and other parts of Asia. But as Korea eyes overseas rail deals, authorities are particularly concerned about challenges from China, the operator of the world's fastest bullet train and one of the world's most eager developers of high-speed rail.

Guidelines on Work Hours to Spur Job Creation

The government will establish guidelines for working hours and encourage employers and employees to abide by the rules as an effort to create more jobs and help workers balance work with family life. The Ministry of Labor Affairs plans to draw up the guideline by September, ahead of the G-20 Summit to be held in Seoul in November. The focus will be on encouraging workers to use all of their vacation and leave work on time while discouraging habitual overtime, it said.

New Samsung, SE phones

SAMSUNG Electronics and Sony Ericsson unveiled new smartphones on Sunday as the two companies seek to catch up to their rivals in the fast-growing segment of the mobile phone industry. South Korea's Samsung and Swedish-Japanese group Sony Ericsson showed their new multi-media handsets in Barcelona, Spain, on the eve of the industry's biggest annual gathering, the Mobile World Congress.

U.S. investor renews bid for Daewoo Engineering

A group of U.S investors has resubmitted its bid for a controlling stake in Daewoo Engineering & Construction Co., Korea's No.2 builder, industry sources said Tuesday, according to Yonhap News.

Samsung clinches top spot in N. America

Samsung Electronics Co., the world's second-largest mobile phone maker, clinched the top spot in the North American mobile handset market on an annual basis for the first time last year since its entry there in 1997, a U.S.-based researcher said Tuesday and Yonhap News reported.

Next BOK Governor to Undergo English Test

What are the key criteria for picking the new governor of the central bank? Ironically, according to government officials, proficiency in English and an extensive international network

Ahead of the G-20 Summit in Seoul, the next governor should be able to preside over international meetings in English and he should have an extensive network with foreign financiers, the official said.

Korea, India to expand personnel exchanges

Korea and India plan to expand personnel exchanges in the nuclear field that could help lead to cooperation in the building of atomic reactors, the government said Tuesday, according to Yonhap News. The Ministry of Education, Science and Technology said the exchange is a follow-up to a Seoul-New Delhi summit held in India last month, in which the two countries agreed to facilitate contact between experts and fuel vital information sharing.

Inter-Korean trade surge 52 percent in Jan.

Trade between South and North Korea showed steep growth last month despite political tensions between the divided states, a government report showed Thursday, according to Yonhap News.

According to the report by the Korea Customs Service, inter-Korean trade soared 52.1 percent from a year ago to \$169.37 million in January. By region, Seoul accounted for 50.8 percent of total trade.

Korea throws W370b behind wireless IT

The government plans to spend billions of won to support venture companies in wireless IT-related fields, Korea Communications Commission Chairman Choi See-joong said Wednesday.

Speaking at the Mobile World Congress in Barcelona, Choi said that a second "venture boom" is required for the country to become a "wireless IT powerhouse," and that the government will use the 370-billion won (\$322-million) Korea IT Fund, KIF, to support venture companies in related areas.

LG targets \$100 mln in monitor sales in Japan for 2012

Korea's LG Electronics Inc. said Friday it aims to raise its sales of computer and television monitors in Japan to \$100 million by 2012, up some 67 percent from last year, according to Yonhap News.

Hyundai to up US market share

HYUNDAI Motor Co aims to increase its share of the US market to 4.5 per cent this year from 4.2 per cent in 2009, helped by popular new product launches and aggressive marketing.

South Korea's Hyundai, the only major automaker to increase sales in the battered US market last year, sees a 'really good chance' that its US sales will break the 500,000 unit mark for the first time in 2010, US sales chief David Zuchowski told Reuters in an interview.

Breweries to Be Told to Ease Campus Promotion

Jeon Jae-hee, minister for health, welfare and family affairs, Wednesday, asked the heads of student councils at universities nationwide to refrain from encouraging heavy drinking at welcoming parties for freshmen. Concerned about a series of accidents by drunken students, which have often led to serious injury or even death, the minister promised her full support to student communities opting to hold "alcohol-free" welcoming parties

STX Pan Ocean returns to profit

STX Pan Ocean Co., Korea's largest bulk-shipping line, posted a fourth-quarter profit as Chinese demand for coal and iron-ore shipments boosted freight rates. Net income of \$33 million compared with a loss of \$95 million a year earlier, the Seoul-based shipping line said in a statement yesterday. Sales dropped 40 percent to \$1.05 billion.

Korea urged to launch FTA negotiations with Turkey

Korea should actively seek a free trade deal with Turkey because of the Middle Eastern country's great potential for growth, researchers said here Friday, according to Yonhap News.

Korea is planning to launch negotiations with Turkey to reach a free trade agreement this year. The two countries are expected to make a final decision on whether to open talks next month.

The Turkish economy grew at an annual rate of 6.8 percent in 2004-2008. The country of 73 million people is seeking to join the euro zone, which could provide even more business opportunities for Korean companies should a trade pact be sealed, he said.

Seoul to increase overseas aid 20%

South Korea has increased the amount of its official development assistance almost 20 percent to nearly 420 billion won (\$362 million) from around 354 billion won last year, officials said yesterday.

Reshuffle at BOK clouds exit outlook

After the United States moved closer to unwinding emergency economic measures, the spotlight is now on officials in Seoul as to when they will start their exit strategy for the Korean economy that is recovering much faster.

Samsung plans big R&D spending

Samsung Electronics is looking to invest around 700 billion won (\$604.5 million) in building a new research center in Korea and to subsequently recruit 10,000 new researchers, government sources said yesterday

Social Façade;

University Grads Select Tutoring as First Jobs

Kim, 26, graduated with a degree in mass communications from one of the top private universities in Seoul in 2008. She tried to get a job at broadcasting stations and conglomerates, but failed to secure a position after a year. While preparing for next year's recruiting season, she started teaching English part time at a private cram school.

University tuition sees five-year surge

Park Se-ho, a student majoring in communications at Sogang University, feels burdened by the university's plan to raise tuition by 3.34 percent. He said students have rallied by organizing a petition to show their objection to the increase. According to the data from the Education Ministry on tuition fees collected by local universities between 2004 and 2009, fees at private universities increased by an average of 1.65 million won, a 28.6 percent increase from five years ago. According to a report released in September by the Organization for Economic Cooperation and Development, Korea has the second-highest college tuition fees after the United States

Preparations under fire

JAPAN'S World Cup preparations drew heavy fire on Monday for the team's lack of striking force as the national side finished third in the four-nation East Asian football championship.

Inauguration of PKO for Haiti Mission Due

South Korea will designate a unit for peacekeeping operations (PKO) for earthquake-stricken Haiti Wednesday, the Ministry of National Defense said Tuesday. Defense Minister Kim Tae-young will attend the inaugural ceremony of the 240-strong contingent, the sixth PKO unit from the country, the ministry said in a news release.

Parasitic Worms on Rise

Parasitic worms used to be such a health concern that students submitted their stool samples to check for the problem. While this is no longer the case, recent research shows that there may be a false sense of security. According to doctors at the Samsung Medical Center, the number of helminthes detected in human intestines has jumped 1.2 times annually for the period of 2000 to 2006.

Rebate-Taking Doctors to Face Jail Term

Doctors and pharmacists who receive what are widely known as "rebates" from drug makers in return for prescribing or recommending their products may spend up to a year behind bars or have their license suspended for up to a year. If doctors choose to get a discount on drugs rather than receive the rebates, the government will provide them with incentives in terms of pricing, the Ministry for Health, Welfare and Family Affairs said Tuesday.

Korea Launches PKO to Help Rebuild Haiti

President Lee Myung-bak called for greater efforts to help earthquake-devastated Haiti, Wednesday, saying it is time for Korea to repay the "debts" it owes to the Caribbean nation from the 1950-53 Korean War.

President Regrets Violent Graduation Rituals

President Lee Myung-bak expressed regret Wednesday over an ongoing police investigation of students who reportedly forced their juniors to take off their clothes and harassed them following a graduation ceremony at a middle school in Goyang, Gyeonggi Province, and last week.

Children of Korean War Veterans to Get Scholarships

The Ministry of Patriots and Veterans Affairs has launched a scholarship program for children of Korean War veterans from underdeveloped countries. The program is aimed at repaying the sacrifices foreign veterans made during the 1950-53 Korean War, the ministry said in a news release. Some 150,000 U.N. forces lost their lives during the war.

Major Hospitals Overcharge Foreigners

Korea's major hospitals charge foreigners, especially medical tourists, 2.5 to 3 times more than locals but these hospitals say the pricing is globally competitive because of the nation's high quality medical services. However, critics say the dual and discriminatory pricing policy will ultimately scare away foreign patients, jeopardizing the plan to make the medical tourism industry one of the nation's main growth engines.

Two-Tier Pricing When asked in fluent Korean, they answered the fee is set at 16,450 won (\$14.30) whether the patient is insured or not, saying it can be stretched up to 21,950 won if the patient chooses to see a preferred specialist.

Medical Fees Rising During the investigation, many hospital and government officials admitted that a two-tier pricing system has emerged with the advent of medical tourism in Korea, where only non-profit hospitals are allowed to operate under a universal health care system.

Legal Issues Hospital officials said the international rate is a new term that does not exist in law and is often referred to as the self-regulated rate.

Excuses for Higher Fees Moon Joo-young, head of SNUH's international business team, is also well aware that the two-tier pricing scheme has become a norm in the heavily regulated industry. He believes a discriminatory fee will be inevitable to give a boost to the newly fledging medical tourism industry.

Fear of Second-Class Care Some fear that medical tourism is a prelude to introduce for-profit hospitals and will result in better care for the rich who want better quality or faster access.

Foreigners Victims of Inflated Medical Fees

Foreign patients have been the victims of "exceedingly inflated" medical costs in Korea, according to a study by a state-funded think tank. "The price disparity in medical fees for foreign patients is too high," the report that The Korea Times exclusively obtained says. "The difference between the lowest and highest fees for the most-sought-after procedures among foreign patients exceeds more than 10 times on average."

Huneed CEO Arrested for Tax Evasion, Slush Funds

Investigative authorities have secured circumstantial evidence that Huneed may have leaked military secrets as it pushed to win deals with foreign defense firms The chief executive officer (CEO) of a local defense firm was arrested last week on charges of tax evasion and

suspected of corruption, the prosecution said Thursday. Eugene Kim, chairman and CEO of Huneed Technologies, was charged on Feb.10 over allegations of tax evasion, it said.

Korea Benchmarks Asia for Food Globalization

Koreans are aiming for the kind of recognition and status that Japanese, Chinese or Thai food enjoy all over the world. But many observers say the food globalization campaign needs more focus and coordination. The three government agencies in charge of food, culture and tourism are loosely coordinating over the promotion, leaving foreigners unsure of which Web site to visit.

7,000 couples wed

SOME 7,000 South Korean and overseas couples tied the knot on Wednesday in a mass wedding dedicated to 'the creation of a peaceful world beyond borders and races', the Unification Church said.

Hardworking Koreans win gold

THERE was no secret formula for South Korea's success in the Olympic speed skating sprint races in Vancouver, only old-fashioned hard work, Lee Sang-hwa said on Tuesday after winning the women's 500 metres

Homogenous S.Korea tested

SOUTH Korea's future can be seen on a street in sub-urban Seoul where signs are written in Thai, Chinese and Vietnamese and the workers who power the local factories have come from 15 different countries. With the lowest birth-rate in the developed world and an ageing population, South Korea needs foreign workers to keep its economy going, but this has caused rifts in the homogenous state that has yet to decide if it can trust its future to foreigners.

Acupuncture could help period pain, researchers say

Period pain is a common complaint, Acupuncture may be an effective way of easing severe period pain, a South Korean review of 27 studies suggests. Researchers said there was "promising evidence" for acupuncture in treating cramps, but that more work was needed.

Korean Army to donate \$327,000 to Haiti

The Korean Army will send Haiti some 380 million won (\$327,000), a voluntary contribution from soldiers wanting to help rebuild the quake-ravaged nation, officials said Friday, according to Yonhap News.

Cram School Instructors Outdo Teachers

High school students think teachers at hagwon, or private learning institutes, are better than those at regular schools and are more helpful to them in preparing for university entrance.

They also thought private instructors communicate well with students and help them build character.

School-age population to fall below 10 mln this year

Korea's school-age population is expected to fall below the 10 million mark this year for the first time in 46 years due to the country's chronic low birth rate, a government report said Friday, according to Yonhap News. The report by Statistics Korea said the number of children and young people aged 6 to 21 may reach just over 9.90 million in 2010, down from 10.06 million tallied for the previous year. The total forecast for this year is the lowest since 1964 when the country had 9.92 million students from primary through university.

Japan

Politico-Strategic Front:

U.S. to pull out stops for Ozawa-Obama meet,

Kurt Campbell, U.S. assistant secretary of state for East Asian and Pacific affairs, said Friday "every effort" would be made to enable Democratic Party of Japan Secretary General Ichiro Ozawa to meet President Barack Obama if he visits the United States. The U.S. "would take every effort to make sure" that Ozawa could have "the highest level of interactions with the U.S. government," Campbell said in an interview in Washington.

Ozawa rejects pressure to face Diet ethics panel

Democratic Party of Japan Secretary General Ichiro Ozawa on Sunday rebuffed pressure from senior members of the DPJ-led ruling coalition to face a Diet ethics panel over the scandal embroiling his political fundraising body.

34 U.S. deaths since 2000 blamed on Toyota sudden accelerations

Complaints of deaths allegedly connected to sudden acceleration in Toyota vehicles have surged in recent weeks, with the toll reaching 34 since 2000, according to new consumer data gathered by the U.S. government. Complaints to a database maintained by the National Highway Traffic Safety Administration about the popular Toyota Prius hybrid grew by nearly 1,000 in just over a week.

Hatoyama backs use of separate surnames by married couples

Prime Minister Yukio Hatoyama said Tuesday he supports the idea of allowing married people to retain their original family names at a time when one Cabinet minister has expressed strong opposition, threatening passage of a related bill that will likely be submitted to the Diet soon.

"I have been basically in favor of the idea of letting married couples use different surnames," Hatoyama said.

Trial wraps up on suit seeking secret-agreement documents

The Tokyo District Court held its final session Tuesday on a lawsuit in which 25 plaintiffs are demanding that the government disclose three documents they say indicate the existence of a secret Japan-U.S. agreement over cost burdens for the 1972 reversion of Okinawa.

The court is expected to hand down its ruling April 9.

Fukushima willing to OK plutothermal

Fukushima Gov. Yuhei Sato said Tuesday he is willing to accept a plutothermal power-generation project by Tokyo Electric Power Co. at a plant in his prefecture if certain conditions are met.

Hatoyama spars with opposition

Prime Minister Yukio Hatoyama, during his first one-on-one debate against opposition party leaders, was forced Wednesday to fend off criticism over the money scandals dogging his administration.

Top marine says Okinawa bases are vital

The U.S. bases in Okinawa are strategically necessary and marines are prepared to die to protect Japan, the commander of the U.S. Marine Corps of the Pacific said Wednesday in Tokyo.

During a speech hosted by the Tokyo American Center in Minato Ward, Lt. Gen. Keith Stalder said the U.S. understands that the alliance is not symmetrical, as Japan bears no responsibility to protect the United States, but it does shoulder the obligation of providing bases to U.S. forces.

He estimated hundreds of thousands of lives were saved in the last 50 years because of the U.S. bases in Okinawa.

Futenma unwelcome: Nago mayor

Nago Mayor Susumu Inamine met Wednesday with the foreign and defense ministers in Tokyo for the first time since his election last month and reiterated his position that his Okinawa city would not accept a relocated U.S. Marine Corps Air Station Futenma.

US open to options in Japan base row: diplomat

The United States is ready to face "a variety of different possibilities" in talks with Japan on where to relocate a contentious US military base, its top diplomat for Asia was quoted as saying Thursday. The base issue has soured ties between Washington and Tokyo since Prime Minister Yukio Hatoyama's centre-left government took power in September, promising a less subservient stance toward the United States.

Japan's ruling party to probe JAL's collapse

Japan's ruling party is to launch an investigation into the collapse of Japan Airlines, including a possible cover-up at Asia's biggest carrier, a party official said Thursday. JAL went bankrupt a month ago with 26 billion dollars of debt in one of the country's biggest ever corporate failures, but continued operating and began a painful overhaul involving more than 15,000 job cuts and a public bailout.

Nago mayor presses Hatoyama to put Futenma somewhere else

Susumu Inamine, the newly elected mayor of Nago, Okinawa Prefecture, asked Prime Minister Yukio Hatoyama on Thursday to give up on a plan to move the U.S. Futenma airfield to his city. "I told him that I won the election on the promises I had made on the Futenma relocation, and asked him to understand that well as the popular will," Inamine said after he met with Hatoyama in the prime minister's office.

Hatoyama suggests both he and Ozawa come clean on scandals

Prime Minister Yukio Hatoyama said Thursday he urged Democratic Party of Japan Secretary General Ichiro Ozawa in a telephone chat to explain in greater detail the funds scandal he is embroiled in, and offered to do likewise.

'Secret' pact?: U.S. had most use of Fuji drill site

U.S. forces stationed in Japan have priority to use a training ground near Mount Fuji in Shizuoka Prefecture for 270 days a year, a Japanese researcher who obtained the minutes of a 1970 U.S. hearing to that effect said Thursday. The East Fuji Maneuver Area has been jointly used by U.S. forces and the Ground Self Defense Force. But the minutes of the January 1970 hearing on Japan and Okinawa by the U.S. Senate Committee on Foreign Relations' subcommittee showed the U.S. military has priority use, a fact Japan has denied until now.

Economic Front;

New recall issued for 10,000 Tacoma pickups

Toyota Motor Corp. said Friday it will recall about 10,000 Tacoma pickup trucks in North America amid criticism of its massive global recalls implemented from last fall totaling around 8 million vehicles in connection with accelerator pedal and brake system problems. Toyota Motor Sales U.S.A. Inc. said it filed a recall with the U.S. National Highway Traffic Safety Administration for approximately 8,000 units of certain 2010 model year Tacoma 4WD trucks in the United States. Another 1,500 units of the trucks have been sold in Canada, while the model has also been released in Mexico.

Shinsei, Aozora see merger talks snag

Shinsei Bank and Aozora Bank, which agreed last summer to merge in October, are facing difficulties in their negotiations, sources said Saturday. The talks have hit a snag in working out a business strategy, including system integration and choice of core operation, and there is a possibility they could call off the negotiations if they cannot iron out their differences, the sources said. The two banks, which suffered huge losses amid the global financial crisis, reached the basic accord last July with the aim of restoring their financial health and turning around their business through the merger.

JAL, American apply for antitrust immunity for trans-Pacific flights

Japan Airlines Corp. said Saturday it and American Airlines Inc. have applied to the U.S. Department of Transportation for antitrust immunity to better coordinate pricing and flight routes between Japan and the United States.

Toyota-hired ex-NHTSA staff helped end probes

Former regulators hired by Toyota Motor Corp. helped end at least four federal investigations of unintended acceleration by company vehicles in the last decade, warding off possible recalls, court and government records show.

Kan gears up for debate on tax reform

Finance Minister Naoto Kan said Sunday the Tax Commission is preparing to start discussions on drastic tax reform as early as next month with the eventual goal of raising the consumption tax. Kan said he was willing to start "a full-fledged debate on taxes, including income, corporate and sales" taxes, in March, when the fiscal 2010 budget bill is expected to have cleared the Diet. He said Prime Minister Yukio Hatoyama approves of the idea.

Vow to wait four years stands despite Kan wanting talks now

Prime Minister Yukio Hatoyama pledged again Monday that he will not raise the 5 percent consumption tax during his four-year term through summer 2013, even though Finance Minister Naoto Kan is saying he wants to launch debate on a possible increase.

Last quarter saw 4.6% rate of growth

The economy grew an annualized real 4.6 percent in the October-December quarter for the third consecutive quarter of expansion as corporate capital investment revived amid a recovery in exports while consumer spending continued to perk up on stimulus measures. The Cabinet Office also said nominal GDP stood at \$5.08 trillion in 2009, narrowly surpassing that of China's \$4.91 trillion. However, the data suggest the Japanese economy will be surpassed by China's in the near future, possibly this year, it said.

19,560 ask banks for debt relief in the first month under new law

Nine banks operating under the umbrella of six major banking groups received 19,560 applications for eased loan repayment terms from small and midsize companies and homeowners by the end of December under the debt moratorium law that took effect Dec. 4. The applications involved ¥888.3 billion, and around 20 percent of them were approved, according to the banks.

Toyota undecided on facing Congress

Firm says it will study electronic issues again, Toyota said Monday it has still not decided whether its president will appear before the U.S. Congress, but it promised to again look into possible electronic problems with its vehicles. Toyota Motor Corp. has been criticized as being

slow in responding to the unfolding recall crisis, which has ballooned over the past four months to 8.5 million vehicles globally with problems in gas pedals, floor mats and braking.

December output cut to 1.9% growth

Industrial output in December was downgraded to a rise of 1.9 percent from an earlier reported growth rate of 2.2 percent as chemical industry production slowed, the government said Monday. The index of production at factories and mines advanced from the previous month for the 10th straight time to 89.7 against the base of 100 for 2005, the Ministry of Economy, Trade and Industry said.

Tokyo job fair draws throng

About 2,400 university students who graduate next month attended a job fair put on Tuesday by the Tokyo Metropolitan Government, hoping for luck in what could be their final opportunity in the tough career market before getting their diplomas. Compared with a fair held by Tokyo in November, some 1,000 students showed up even before the forum started, said Masayo Maruyama, head of the metropolitan government's youth employment division.

MMC plans ¥800,000 fuel-stingy compact

Mitsubishi Motors Corp. is considering setting the price of its new fuel-efficient compact car at around ¥800,000, well under the roughly ¥1 million for the lowest-priced cars now available on the market, sources said. The automaker is planning to build the car, which is set for release next year, at low-cost plants in Thailand and China and to supply it to carmaker PSA Peugeot Citroen, which is looking to forge capital ties with Mitsubishi Motors, for sale under the French automaker's nameplate, the sources said.

Sony quits organic EL TV biz

Sony Corp. will stop shipping television sets employing organic light emitting diode technology in Japan at the end of March as sales of the thin-panel TVs have proven sluggish, sources said. Sony will also end domestic sales of organic electroluminescent TVs after inventories run out but will continue overseas sales in North America and Europe as well as research and development on expanding the size of the displays, they said.

Ministers willing to mull consumption tax hike

Cabinet members said Tuesday they are ready to start a debate on raising the consumption tax as long as the administration does not deviate from its pledge to avoid any increases before the next Lower House election.

TV rivals boldly bet on 3-D

Technological shift swift, but will content and consumers keep up?

Television viewers will be carried into a new dimension this year when they shed their old sets and go 3-D. Momentum for 3-D TVs has been heating up, helped by trendy box-office hits like "Avatar" as well as displays by many major electronics makers of 3-D TV technology at last month's Consumer Electronics Show, the world's biggest electronics trade show.

Isuzu to recall 4,000 trucks

JAPAN'S Isuzu Motors is to recall over 4,000 trucks due to a natural-gas fuel leak that could result in fires in the cab, the transport ministry said on Friday. The company would from Friday recall 4,286 natural-gas powered trucks in Japan, in the latest setback for the country's vehicle manufacturing industry, hit by a series of safety issues and recalls.

Extra glasses will be ¥10,000 each

While manufacturers are actively promoting a new 3-D TV lifestyle, consumers will be required — at least a few years — to use special glasses expected to cost about ¥10,000. In fact, 3-D TV's success will depend on how well consumers warm to the glasses, observers say. To get the 3-D effect, the glasses must be worn so the right and left eyes can get the alternating high-speed images. Going without the glasses will result in blurred images. Panasonic Corp., which will start selling 3-D TVs in Japan on April 23, will also be the first to offer the special glasses.

Top firms' profits rose 47% in '09

The combined pretax profit of companies listed on the first section of the Tokyo Stock Exchange that close their books in March is forecast to rise nearly 47 percent in fiscal 2009, according to data released by Nikko Cordial Securities Inc. The projected rise, the first in two years, is largely attributable to brisk exports to China and other emerging economies, government stimulus measures and corporate efforts to streamline operations, Nikko said Tuesday.

Japan Jan commodity fund value matches record low

The face value of funds sold by commodity brokerages in Japan in January inched down from the previous month to match a record low posted in November, industry data showed on Thursday.

Bank of Japan firm in face of political pressure

Japan's central bank kept its super-low interest rates unchanged Thursday and defied political pressure to take new steps to beat stubborn deflation in the world's second-largest economy.

The Bank of Japan held its benchmark rate steady at 0.1 percent, where it has been since December 2008, saying reversing a slump in consumer prices was a critical challenge.

JAL ranks face 5% wage cut, no bonus or promotions

The Japan Airlines Corp. group is planning to cut monthly wages by 5 percent and forgo bonus payments as part of its restructuring process, sources said. The move, which also includes suspension of annual raises and promotions, will affect about 16,000 employees alone at key subsidiary Japan Airlines International Co.

Toyota chief leaves for US: report

Toyota president Akio Toyoda, under fire for his handling of massive safety recalls, was to leave on Saturday for the United States to testify in Congress, a Japanese newspaper said. The head of the embattled Japanese automaker has bowed to calls to appear before US Congress following an invitation by Representative Edolphus Towns to testify next Wednesday. Toyoda, expected to face a grilling by US lawmakers, was planning to prepare for the testimony with Yoshimi Inaba, head of Toyota's North American operation, the Mainichi daily said citing unnamed sources.

BOJ to Hatoyama: rein in debt

Bank of Japan Gov. Masaaki Shirakawa escalated pressure on Prime Minister Yukio Hatoyama to contain the world's largest debt with a warning that investor "trust" won't be assured in the aftermath of Greece's budget woes. Economic growth accelerated to a 4.6 percent annual pace in the fourth quarter, led by a trade revival that prompted exporters, from Panasonic Corp. to Nissan Motor Co., to raise their profit forecasts.

¥92.90 exporters' threshold level

Exporters said they can remain profitable as long as the yen trades at 92.90 per dollar or weaker, a government survey showed. The level is stronger than the ¥97.33 break-even point companies provided last year, according to a survey released Friday by the Cabinet Office.

Socio-cultural façade;

Cases of HIV/AIDS declined in '09

The number of people newly infected with HIV or who developed AIDS in 2009 came to 1,428, marking the first drop in seven years. Although the total figure was down 8 percent from 2008, when it hit a record high 1,545, the health ministry in a preliminary report said it remains cautious because the number of antibody tests conducted last year fell 15 percent.

River targeted for Yamba Dam tainted with arsenic: survey

Excessive arsenic levels have been detected in the Gunma Prefecture river that was supposed to host Yamba Dam, a water survey submitted to the land ministry shows. The Agatsuma River, which was picked for the recently canceled dam project and includes an upstream tributary to the Tone River supplying water to the Kanto region surrounding Tokyo, contains more than five times the permissible level of arsenic, the documents show. But this data has not yet been made public.

Sex-change husband presses justice minister to register son

A 27-year-old man who has legally changed his sexual status due to gender identity disorder called Monday on Justice Minister Keiko Chiba to register his son, born by artificial insemination, as his legitimate child. The Justice Ministry has been refusing his request.

Japan's indie directors feted in Rotterdam

This year's International Film Festival of Rotterdam, which ran from Jan. 27 to Feb. 7, demonstrated the diversity of Japanese films to the European audience by featuring such guests as Kiju Yoshida, Masaki Iwana and Hirokazu Koreeda

Prosecutors try to tie teachers union boss to election violation

Prosecutors searched the Sapporo home of a teachers union member Tuesday for evidence the union made illegal political donations to Democratic Party of Japan Lower House lawmaker Chiyomi Kobayashi. The owner of the home is Hideki Osada, acting head of the Hokkaido teachers union and a key campaigner for Kobayashi in last summer's general election.

Average household spending declines

Average monthly household spending dropped 1.4 percent in 2009 in real terms, marking the second consecutive year of decline, the government said Tuesday. In nominal terms, household spending fell 2.9 percent to ¥253,720 as spending on entertainment and food declined, the Internal Affairs and Communications Ministry said

Four more hospitals targeted by organ brokers

Four medical institutions have been approached by individuals and organizations that appeared to be organ transplant brokers, the health ministry said after surveying hospitals following a similar case that came to light in November.

Isotopic test can ID origins of beef, rice

A private laboratory in Yokohama plans to offer a service next month that can help detect fraudulent labeling of branded food products, lab officials said Wednesday. This will be the first commercial isotope analysis service to identify the origins of beef and rice. The company will begin accepting orders in March.

Teacher gives dropouts free helping hand

Shotaro Namekata is one of many who believe education holds the key to stepping up the social ladder and obtaining a better job. But in reality, children from lower income households end up in low-paying jobs themselves because of their limited schooling. Wanting to break this vicious circle, the 49-year-old Namekata, from Nerima Ward, Tokyo, operates a prep school to help them get out of that loop.

Japan warned to stop whaling

AUSTRALIAN Prime Minister Kevin Rudd bluntly told Japan on Friday to stop hunting whales or face international court action this year, just a day before a visit by Foreign Minister Katsuya Okada. Mr Rudd said Australia had collected video and photographic evidence about Japan's annual Antarctic hunting expeditions, threatening to take its major trading ally to court before the next whaling season.

Preserving forests will help prevent climate change, Maathai says

Visiting Kenyan environmental activist Wangari Maathai, who won the 2004 Nobel Peace Prize for leading a tree-planting movement, is calling for the protection of the world's forests to effectively fight climate change, saying 20 percent of greenhouse gas emissions come from deforestation and forest degradation.

Whaling in Australia's sights as Japan FM visits

A row over whaling threatened to overshadow a visit to Australia by Japan's foreign minister on Saturday, a day after Prime Minister Kevin Rudd warned of legal action to stop Japan's annual whale hunt. Australia opposes the slaughter and Rudd on Friday said it would take Tokyo to the International Court of Justice over the issue before the start of the next whaling season in November, unless Japan stopped the controversial practice.

South Korea

Politico-Strategic Front;

Detailed News:

(The Korea Times) 'Parliamentary Role in Aid Policy Should Be Greater'

The National Assembly should be allowed to exert more power and influence than it does now when it comes to crafting and implementing aid policies for poor nations, a foreign policy researcher said Thursday.

"Like their counterparts in the U.S. Congress, members of the Assembly can consider linking the recipients' records in major criterion, for example democracy and human rights, to external assistance," said You Woong-jo, a legislative researcher at the National Assembly Research Service.

In an interview with The Korea Times, You stressed that the first thing lawmakers ought to do is fix the law restricting their roles.

Under the current scheme, lawmakers' hands are tied when it comes to the implementation of aid and loan programs to underprivileged countries.

They are allowed to conduct studies, increase or decrease the budget and request the administration to hand over data related to trends in international development and cooperation.

But that's all they can do, leaving them on the sidelines.

You recommended that in the future, the legislature should link international standards and the Korea's foreign policy goals to the aid policy.

"Lawmakers should look at whether recipients have showed an improved track record or demonstrated the will to improve their status in standards over the past year. Based on the

results, they can decide whether or not to increase or decrease Official Development Aid (ODA) or maintain the status quo the next year," he suggested.

Two schools of thought, pragmatists and idealists, inside the government strove to make their voices heard when lawmakers introduced several measures to set forth guidelines for international development last year.

Pragmatists claimed that the Ministry of Finance and Strategy should oversee all ODA, adding policymakers need to be convinced that assistance to poor nations will pay off in the long run.

Korea should benefit from tangible material or diplomatic outcomes when it lends a helping hand to those in need, they said.

Meanwhile, idealists proposed that the Ministry of Foreign Affairs and Trade handle both aid and loan programs.

They warned of the danger of linking ODA to national interest, saying recipients could consider Korea a self-serving country with the motive of taking advantage of what poor nations do have, such as energy or natural resources.

The gap between the two sides over the issue of who should oversee ODA led the National Assembly to pass the international development law last year, allowing the foreign ministry to take care of aid while the finance ministry handles loans.

You concurred with the risk of linking aid to national interest.

He said there should be open debate regarding whether there is a role for lawmakers to play in making aid policies more effective.

(The Korea Times) Opposition Urges Assembly Probe Into Sejong Plan

Opposition parties will submit a bill calling for a National Assembly investigation of the government's revision of the Sejong City project today, a parliamentary source said Monday.

But chances of the passage of the bill are slim as the governing Grand National Party (GNP) controls 169 seats, more than half in the 299-member legislature.

The main opposition Democratic Party (DP) has argued that the ruling party and Cheong Wa Dae have politicized the initial plan by revising it, and have manipulated the media to create favorable public opinion.

The DP also says the government has lured private companies to move into the newly created city in exchange for under-the-table benefits.

Apart from the investigation, the DP and the Liberty Forward Party plan to launch their own independent investigation as well, sources said.

No immediate reaction from the GNP was available.

The opposition demand for an Assembly investigation into the revision is expected to fuel what's already been a heated feud between the parties and within the GNP.

President Lee Myung-bak said Sunday in his special Lunar New Year's radio address that politics should take a back seat in the Sejong discussion.

“We all want Sejong City not for politics, but for the people of Korea,” he said.

Under the initial plan, nine ministries and four government agencies were to have been relocated from Seoul to the Chungcheong region.

The revision was announced late last year by Prime Minister Chung Un-chan, who promised to create the city as a hub of business and science.

Dresden in Germany was referred to as a role model, drawing media attention to the German city.

Opposition parties, led by the DP, slammed the revised plan, accusing Lee and the ruling party of looking for political gain.

It also caused a division within the GNP, as Park Geun-hye, the former party chairwoman, and her supporters poured criticism on the revision, citing the bill lacked consensus within the party, and would do nothing to solve the problem of centralization.

Last week, Park publicly complained about the bill, a culmination of the tension between Pro-Park and Pro-Lee lawmakers.

Park likened Lee to a burglar, for which Cheong Wa Dae demanded an apology. She refused to do so.

During a meeting with GNP Chairman Chung Mong-joon last week, President Lee agreed to a possible meeting with Park over the controversy. However, no details about the proposal were given.

6-Party Talks Likely to Resume Soon

Foreign Minister Yu Myung-hwan said Wednesday that the deadlocked six-party denuclearization talks are likely to be resumed soon.

"Given the circumstances, such as the visit to North Korea by Chinese envoy Wang Jiarui and a return visit to Beijing by North Korea's top nuclear negotiator Kim Kye-gwan, I can say it is true that something is going on," Yu said during a meeting of the National Assembly Foreign Affairs, Trade and Unification Committee.

The minister added that he cannot point to a certain date but the six-way talks are likely to be resumed sooner rather than later.

North Korea declared that it would boycott the multilateral forum aimed at ending its nuclear programs after the United Nations imposed sanctions over its nuclear test in May last year.

Ruling Party to Adopt Stance on Sejong City Plan

Tension is mounting at the National Assembly as opposition parties submitted a bill that calls for a parliamentary investigation into the government's move to revise the Sejong City project amid continued feuding within the governing party.

The ruling Grand National Party's (GNP) mainstreamers loyal to President Lee Myung-bak called for convening a meeting of party lawmakers to reach a unified position on the proposal to scrap the original plan.

Rep. Chung Doo-un said he will file a request Wednesday to convene a party general meeting with his fellow lawmakers in an effort to change the party's platform on the controversial project. "There have been enough discussions on the issue since the government proposed the revision Jan. 12," Chung said.

Floor Leader Ahn Sang-soo expressed his support, saying the party should hold the decision-making meeting if more than one tenth of the 169 GNP lawmakers, the minimum requirement for proposing such a meeting, file the request.

The calls for a united stance from the party on Sejong City follow President Lee's reaffirmation that he would push early parliamentary approval for the revision in his Lunar New Year's message, Saturday.

However, followers of former GNP Chairwoman Park Geun-hye have strongly criticized the revision, saying it will only put the two factions within the party on a collision course.

"Holding the general meeting will be no different from creating a place to fight," said Rep. Lee Kye-jin of the Park faction. "I doubt anyone will change his or her stance."

Some 50 lawmakers considered close to Park are considering boycotting the meeting, in which the majority of lawmakers are set to vote in favor of the revision.

Chances of changing the party's official stance are slim as two-thirds of the party members, or at least 113 GNP lawmakers, must vote in favor of it. Of 169 legislators, 50 to 60 belong to the Park faction.

Some fear the meeting will only result in aggravating the internal feuding in the party.

Meanwhile, a total of 113 legislators of five opposition parties, including the Democratic Party (DP) and Liberal Forward Party, submitted the bill calling for a parliamentary probe into the revision.

"We should clear up suspicions over political maneuvering, skewing polls, corporate incentives and collusion between politicians and business witnessed in the process of proposing, announcing and promoting a bill to scrap the original Sejong City project," the bill stated.

The parties claimed that businesses and universities, such as Samsung and Korea University, had already expressed their desire to establish branches in Sejong, even before the government proposed a host of incentives to them last month.

They also argued that the government exaggerated the number of jobs that would be created by the revision plan and paid some 500 people to mobilize them for a rally supporting the revision plan.

However, prospects are dim for the passage of the bill as approval would be impossible without support from the GNP, which controls 169 seats in the 299-member legislature.

Korea Stepping Up Efforts to Upgrade Image

The Lee Myung-bak administration will introduce a further set of measures to enhance the country's overseas reputation ahead of the G-20 Seoul Summit in November, in addition to its plans to increase development assistance to poor nations, the Office of the Prime Minister said Tuesday.

Prime Minister Chung Un-chan held a meeting with advisors from the private sector in the morning to develop such policies.

"The G-20 Summit will provide a crucial turning point for the country to join the ranks of advanced nations," Chung said during the meeting. "It is not just a government event, but should be a national celebration. That's why close coordination with the private sector is important."

Chung said countries involved have agreed to make the summit the premier global forum for economic coordination, but its global influence is not as strong as the G-7 meeting yet.

South Korea will strengthen relations not only with advanced countries but also developing nations to consolidate the G-20's status through the Seoul summit, he said.

The country plans to triple its economic aid to poor countries around the world to 0.25 percent of gross national income (GNI) by 2015 to help achieve a more balanced global economic growth. In that year, the development assistance is expected to top \$4 billion.

Korea became a member of the OECD Development Assistance Committee, considered a league of the world's wealthiest countries, last year, as its second Asian country after Japan.

The membership is expected to help it deepen economic partnerships with underdeveloped countries, which will emerge as Korea's major trade partners in the long term.

The country has also doubled its number of volunteers to 3,000 to strengthen its goodwill activities in underdeveloped countries in an effort to become a more responsible member of the international community.

(The Korea Times) East Asian Security Framework Planned

South Korea, Japan and China are discussing establishing a tripartite security framework this year, Seoul officials said Monday.

Senior defense officials from the three countries will discuss their security and military cooperation in the region on a regular basis, the officials said.

South Korea's Ministry of National Defense (MND) is leading the discussion, following a tripartite summit of leaders from the nations last October in Beijing, they said.

The framework will help build trust between the three militaries as well as resolve pending security issues in the region, including North Korea's nuclear weapons program, said the officials.

This issue was a lead topic during an MND meeting with South Korean diplomatic mission chiefs abroad last week, they added.

"Once the tripartite security framework takes effect, it will help resolve many security issues in the region, including North Korea's nuclear problem and the U.S.-China relationship," a security expert said. "The framework could successfully evolve into a broader security framework for Northeast Asia."

The three East Asian nations have sought closer military partnerships in recent years despite frequent disputes over history and territorial issues.

Earlier this month, a senior U.S. military officer said a trilateral military exercise by the U.S., South Korea and Japan could be conducted in the near future with the three parties sharing the concept for such a drill.

In April last year, Seoul and Tokyo signed a letter of intent on bilateral defense cooperation, the first formal military pact between the two countries.

The letter covers goodwill exchanges of top defense officials and military units from the two nations, exchanges between defense institutes, the institutionalization of joint search-and-rescue operations, reciprocal visits by aircraft and naval ships, and joint international peacekeeping and humanitarian operations.

Since December 2008, South Korea and China have operated military hotlines between their navies and air forces.

The establishment of 24-hour telephone hotlines was agreed upon at talks between the defense chiefs of the two countries in April 2007 in Beijing as part of efforts to build confidence between the two militaries

'1-Strike-You're-Out' Penalty Adopted for Seoul's Civil Servants

Seoul's 25 district offices will adopt City Hall's "one-strike-and-out" system, an anti-corruption measure under which civil servants are fired after being found to be involved in corrupt behaviors.

Sixteen organizations under the wing of the Seoul Metropolitan Government are also expected to introduce this system.

According to officials of the city government and district offices, civil servants will be dismissed after being caught for taking bribes or embezzling public funds.

Officials whose subordinates are engaged in such irregularities will be put at a disadvantage when it comes to promotions.

The city has been waging a war against corruption after it tumbled to ninth last year on a list measuring ethical conduct among local entities. It topped the list in 2008 after jumping to sixth in 2007 from 15th the previous year. So far, as indicated by the rankings, his anti-corruption campaign has proved to be successful by and large.

Seoul Mayor Oh Se-hoon takes pride in cleaning up corruption among city officials.

Oh, a former lawmaker, has placed top priority on cleaning up the corruption for which the city administration was once notorious for.

In its first year of implementation last year, five city officials received heavy penalties.

At the same time, the city government has rewarded those who report suspected cases of corruption through its 3635 hotline for reports.

The principle of guilt by association also applies to chiefs of departments when their subordinates are involved in corruption.

Likely to be included in additional measures are financial awards for citizens who report cases of corruption.

(The Straits Times) US to have nuke power plant

Plants will create jobs

AT A time of economic blight when the administration is trying to create a new generation of clean energy jobs, Mr Obama said the investment in nuclear power would pay off in employment opportunities in years to come.

'It's a plant that will create thousands of construction jobs in the next few years and some 800 permanent jobs, well-paying permanent jobs, in the years to come. And this is only the beginning,' Mr Obama said.

* The president also warned that America's competitors were beating it to the punch on nuclear energy, specifically mentioning long-term investments by Japan and France in the industry. He said of 56 nuclear reactors being built around the world, 21 are in China, six in South Korea and

five in India - some of the key economies he most often mentions as trailblazing rivals to the United States.

* Mr Obama's move uses a 2005 law that authorises the Energy Department to guarantee loans to projects that help reduce greenhouse gas emissions.

* There have been no new nuclear power plants built in the United States since the 1979 Three Mile Island nuclear accident in the northeastern state of Pennsylvania. Currently only 20 per cent of the country's energy needs are met by nuclear power.

* The operation will result in some 3,000 construction jobs, and eventually some 850 permanent jobs, officials say, citing company figures.

* Mr Obama said the plant would reduce carbon pollution by 16 million tons each year when compared to a similar coal plant - the equivalent of taking 3.5 million cars off the road.

* When the new nuclear reactors come on line, they will be capable of providing the power needs for 550,000 homes or 1.4 million people, officials said.

* The president's 2011 budget unveiled earlier this month contains authority for US\$36 billion (\$51 billion) in new loan authority for the construction of new nuclear power plants in addition to \$18 billion already authorised. -- AFP

Deputy FM to Visit 4 African Nations

Deputy Foreign Minister Lee Yong-joon will begin a weeklong trip to four African countries from Sunday to prepare for a possible visit by President Lee Myung-bak to the continent later this year.

He will visit Ethiopia, Tanzania, Morocco and Cote d'Ivoire (Ivory Coast), ministry spokesman Kim Young-sun told reporters Thursday.

Last month, Vice Foreign Minister Shin Kak-soo traveled to Congo, South Africa, Ghana and Kenya with a mission to select destinations for President Lee's Africa trip, ministry sources said.

Lee will visit the countries with a similar purpose, the sources said.

US Defense Firms Considers Transparency Pledge

Representatives from U.S. defense firms doing business here have discussed the idea of submitting a declaration of transparency to Cheong Wa Dae, amid Seoul's crackdown on irregular weapons acquisition deals, an industry source said Friday.

During a meeting at the American Chamber of Commerce (AMCHAM) in Korea in Seoul, Tuesday, some of the executive officers complained that the proposed policy to fight corruption in arms deals was too rigid and not realistic, the source said, requesting anonymity.

Participants included representatives from Lockheed Martin, Boeing, Raytheon, Northrop Grumman and General Electric, he said.

"The representatives were engaged in a debate over arms acquisition policy that has been proposed by the government," the source told The Korea Times.

"They put forward the idea of presenting a pledge of transparency to the presidential office as part of anti-corruption efforts but failed to reach an agreement."

In recent months, President Lee Myung-bak and other government officials have called for a new arms-buying mechanism, citing rampant corruption in arms contracts such as overblown commissions for purchasing arms overseas, inflated unit costs and the leakage of classified military information.

Against this backdrop, Defense Minister Kim Tae-young said late last year in a report to President Lee that the government would reduce the amount of arms bought through the roughly 600 arms agents who do business in the country.

Instead of such commercial sales, which currently account for 65 percent of procurement, the ministry will encourage more government-to-government foreign military acquisition programs, the minister said.

Officially, the arms agents receive about 3-5 percent in commissions from procurement spending, but industry officials said their actual take is much higher, particularly in large deals. So the government wants to introduce a standard price cap on the payments.

"Most of the participants at the AMCHAM meeting discussed ways of meeting the new standards, but some of them complained of the Korean government's rigid approach to the issue," said the source.

An executive officer from a fighter jet maker said the current commission payments rate is quite low, so agents sometimes engage in behind-the-scenes deals.

He argued that reducing the number of agents would not be a fundamental solution in that context.

North Korea warns the South of naval firing exercises

North Korea says the firing is part of a regular military drill

North Korea has declared four naval firing zones near its disputed sea border with South Korea, South Korea's Joint Chiefs of Staff said.

The South Korean news agency Yonhap says the North has deployed multiple rocket launchers close to the frontier.

The "no sail" zones suggest the North might conduct firing exercises over the next three days.

It fired artillery in the disputed seas in late January, amid international efforts to re-start nuclear talks.

The communist state declared its exclusion zones effective from Saturday.

Firepower

They are in the Yellow Sea - including two near the border - and two in the Sea of Japan (East Sea) off its northeast coast, South Korea's Joint Chiefs of Staff said.

The Yellow Sea border was the scene of deadly naval battles in 1999 and 2002 and of a fire fight last November which left a North Korean patrol boat in flames.

Yonhap news agency said defence ministry officials gave the information Friday to a closed meeting of a parliamentary defence committee.

"North Korea has deployed multiple rocket launchers in the western coastal bases since the naval clash in November," a military official was quoted as telling Yonhap.

After declaring two "no sail" zones, the North in late January fired 370 shells into the sea near the border over three days.

The North said it was staging a routine exercise but South Korea and the United States described the firing as provocative.

Since then the North has again declared "no sail" zones but not gone ahead with any exercises.

North Korea is under pressure to return to disarmament talks, and some analysts say the firing exercises may be a way to use military threats to help strengthen its hand to win concessions from regional powers.

The western sea border is a constant source of military tension between the two Koreas. There have been three deadly exchanges between them in the past decade.

South Korea recognises the Northern Limit line, drawn unilaterally by the US-led United Nations Command to demarcate the sea border at the end of the 1950-53 Korean War. The line has never been accepted by North Korea.

The US, China, Russia, Japan and South Korea speak regularly of their hopes that North Korea will rejoin international talks about ending its nuclear programme.

News reports suggest a North Korean nuclear envoy Kim Kye Gwan will be visiting the United States shortly, after being in China for talks.

North Korea has also re-stated its opposition to new talks until the US changes what the North calls its "hostile policy".

Quarter of world countries to receive Korean ODA

More than a quarter of 191 U.N. member nations will receive development assistance this year from Korea, as the country sets aside more money for aid projects to take on a greater role in the international community, an official said Friday, according to Yonhap News.

Korea increased the amount of its official development assistance to nearly 420 billion won (\$362 million) from some 354 billion won last year, up over 18 percent, according to Kim Min-jong, an official at the Korea International Cooperation Agency.

The assistance will be distributed among 56 developing and underdeveloped nations throughout the world. The countries will also have access to Seoul's low-interest development loans, Economic Development and Cooperation Funds, totaling some 470 billion won.

"Of the 56 countries subject to our ODA, 27 countries named our key cooperation partners will receive nearly 80 percent of the development assistance," the KOICA official said.

The move comes as the government earlier said it will select and focus its support on a few countries in most desperate need of assistance.

Korea is the latest member of the Development Assistance Committee of the Organization for Economic Cooperation and Development, a club of wealthy nations.

Under its new "select and focus" scheme, Seoul will increase by nearly four times its ODA to Afghanistan from 6.4 billion won in 2009 to over 23 billion won this year, making the war-torn nation the largest recipient of Korean assistance.

(The Straits Times) S. Korea, US to scale down drill

SEOUL - THE United States and South Korea will go ahead next month with a major annual military exercise set to anger North Korea but fewer US troops than last year will take part, officials said on Thursday.

North Korea denounces the exercise and other annual military drills in the South as a rehearsal for invasion, a claim denied by Seoul and Washington.

The Key Resolve and Foal Eagle exercise, slated for March 8-18, will draw 18,000 US troops including 10,000 stationed in South Korea and 8,000 from abroad, said Combined Forces Command spokesman Kim Yong Kyu.

Some 26,000 US troops took part in the exercise last year. 'An aircraft carrier which came last year will not participate this time,' the spokesman said, adding that the scaling-down of the exercise was governed only by operational considerations.

The defence ministry gave no figure for the number of South Korean troops taking part but said an army corps, naval fleets and wings of the air force would be involved.

The US-led United Nations Command has already informed the North about the exercise dates and their routine nature. The US, South Korea and other negotiators are trying to bring the communist North back to nuclear disarmament talks which it quit last April. -- AFP

Economic Front;

Detailed News:

(The Korea Herald) Smartphone softwares, Android phones to dominate this year's mobile show

This year's Mobile World Congress opens on Monday in Barcelona with more than 1,300 companies in attendance to showcase their latest products and technologies, as mobile software draws increased attention amid close competition in the fast-paced sector, Yonhap News said.

The mobile industry's largest trade show, which will run through Thursday, will feature the latest products and technologies not only of traditional handset manufacturers such as Nokia Corp. and Samsung Electronics Co. but also Web search engine operators, computer software makers and advertisers, none of which are players conventionally associated with the mobile industry.

As more users shift away from traditional desktop computers and turn instead to mobile devices for Web surfing and computing, industry watchers expect the 2010 MWC to highlight the mobile industry's mounting significance for other sectors and to offer a preview of the increasingly fierce battle for supremacy in the mobile market.

LG Electronics wins patent dispute with Whirlpool

Korea's LG Electronics Inc. said Monday that it has won a patent dispute with U.S. appliance maker Whirlpool Corp., ending years of conflict that threatened the suspension of sales of related LG products in the American market, according to Yonhap News.

On Friday (local time), the International Trade Commission made its final ruling that LG Electronics did not infringe upon patent rights held by Whirlpool in producing its refrigerator products, South Korea's No. 2 electronics manufacturer said in a press release.

The ruling comes after Whirlpool filed complaints with the U.S. trade agency in January 2008, claiming that LG violated its patented technologies in a total of five cases. Of them, Whirlpool voluntarily dropped two cases, with two others having been dropped through a bilateral agreement.

In February, the trade agency said that LG did not use Whirlpool's technologies, clearing the Korean company of the remaining allegation. It later decided to review its ruling in an unusual move that some market observers view as being politically-motivated amid an atmosphere of protectionism prompted by the global economic slowdown.

With the latest ITC ruling, LG said that it is now free from the protracted patent dispute with the U.S. company, avoiding what could have led to a sales suspension of some of its products in the American market.

Korea's import prices log decline in 3 months in Jan

Korea's import prices fell for the first time in three months in January as the local currency's gain against the U.S. dollar outweighed the impact of rising oil prices, the central bank said Monday, according to Yonhap News.

In local currency terms, import prices declined 1.2 percent in January, compared with a 0.5 percent gain in December, according to the Bank of Korea. The January figure marked the first on-month decline since October 2009 when prices fell 1.1 percent.

Compared with a year earlier, the country's import prices dipped 0.9 percent last month, smaller than a 1.4 percent fall in the previous month, the BOK said.

Amid signs of a global economic recovery and a weak dollar, oil costs have been on the rise recently, hovering around US\$75 per barrel. South Korea, the world's fifth-largest crude oil buyer, relies entirely on imports for its oil needs.

The Korean currency rose an average of 2.43 percent against the greenback in January from the previous month.

East Asian Free Trade Pact Planned

Korea will launch a joint research project with Japan and China in April in a bid to push for a tripartite free trade deal, the Ministry of Foreign Affairs and Trade said Wednesday.

The move comes as the three countries agreed to cooperate on a free trade agreement (FTA) at their summit last October.

"The joint project will be centered on fostering an atmosphere to promote a three-party FTA, and is expected to play a leading role in integrating economies in the Northeast Asian region," a ministry official said.

A report on the plan was presented to a session of the National Assembly committee on foreign affairs, trade and unification later in the day.

Details have yet to be determined but representatives from industrial fields, government offices and academic circles are likely to conduct the research.

Negotiations over a free trade accord between Korea and Japan began in December 2003, but were suspended in 2004 after six rounds of talks.

The two sides failed to narrow differences over specific conditions regarding the manufacturing industry and agricultural markets.

Seoul and Tokyo resumed a working-level meeting last year in a bid to have discussions on FTA negotiations.

The ministry is aiming to complete the joint research project on a free trade pact with Japan and China in the first quarter of this year at the earliest, officials said.

The nation has already inked agreements with Chile, Singapore, India and the Association of Southeast Asian Nations (ASEAN).

A trade pact with the United States was signed in 2007 but still awaits ratification by both countries. U.S. automakers have expressed concerns that the agreement may worsen the imbalance in auto trade between the two countries.

A free trade deal with the European Union was tentatively signed last October.

The foreign ministry plans to have discussions on FTAs with Israel and the Southern Common Market, a trade entity of South American countries.

Rising Debt Threatens Fiscal Soundness

Korea's fiscal soundness is at a risk as the national debt is quickly rising, a parliamentary think tank reported, Monday.

The National Assembly Research Service (NARS) said the nation's debt to the gross domestic product (GDP) ratio has increased at a rapid rate since 2002.

"The rate of increase is one of the fastest in the world," said the report submitted to Rep. Kim Song-sik of the governing Grand National Party.

"The debt to GDP ratio has surged 17.2 percentage points over the past nine years, the sixth highest among OECD countries."

The think tank noted that the country should be wary of the deteriorating fiscal soundness and snowballing public debt, given that state welfare spending is expected to quickly rise without additional tax revenues.

"Last year's unprecedented increase in supplementary budgets will lead to a surge in the issuing of deficit-covering national bonds and raises concerns about government debts," the institute said. "Once debt grows, spending on interest payments rises. And this creates a vicious cycle of debt."

It suggested that the government set specific goals for a mid-term financial plan, such as reducing tax exemptions, improving flexibility in spending and reviewing long-term government projects.

The Samsung Economic Research Institute (SERI) also warned of the degrading fiscal health last Wednesday. The private think tank said Korea's national debt will likely exceed 90 percent of its GDP by 2050 as it continues to outspend revenue alongside a rapid aging population and falling birthrate.

SERI advised that the government eliminate its budget deficit as early as possible, spend taxpayers' money more cost-effectively and broaden the tax base.

However, the government recently discounted growing concerns over the deteriorating fiscal soundness, saying state coffers will pick up on rising tax revenue and declining government expenditure when the economy returns to normal.

Korea, China Compete in Rail Deals

With the commercialization of the indigenous KTX-II, the world is taking notice of Korea's expertise as an operator and manufacturer of bullet trains with speeds of over 350 kilometers per hour.

It is with this new train that the country's railway industry will seek to impress the organizers of some of the world's most lucrative high-speed railway projects in locations such as Brazil, the U.S., China and other parts of Asia.

But as Korea eyes overseas rail deals, authorities are particularly concerned about challenges from China, the operator of the world's fastest bullet train and one of the world's most eager developers of high-speed rail.

Korea and China are both expected to compete in May to be selected as the contractor for the \$17.4 billion high-speed rail project to link the cities of Sao Paulo, Rio de Janeiro and Campinas ahead of the 2016 Olympic Games to be hosted in Brazil.

Transport Minister Chung Jong-hwan will meet with industry leaders Wednesday to discuss the bid for the Brazil project.

"Compared to France or Japan, Korea has an edge in price competitiveness," said a Korail official. "It is projected that China will be our main competitor in overseas rail deals in the years ahead.

"Chinese technology is almost on par with ours, and they also have a price edge compared to advanced countries like Japan and Europe."

The Chinese Railways Ministry has launched a working group to bid for Brazil's first high speed railway project, according to a Brazilian report.

Other competitors will be Japan, Italy, Germany, France and Spain.

China recently unveiled the Harmony Express, which runs at an average speed of 350 kilometers per hour and covers the distance of 1,100 kilometers between Guangzhou, the capital of southern Guangdong Province, to the central city of Wuhan in less than three hours. The journey previously took 11 hours.

The train has reached a maximum speed of 394 kilometers per hour in test runs.

China will break ground on 70 new railway projects in 2010, including a high-speed train linking Shanghai and Beijing. By the end of 2012, the total length of China's railways is expected to exceed 103,000 kilometers.

Guidelines on Work Hours to Spur Job Creation

The government will establish guidelines for working hours and encourage employers and employees to abide by the rules as an effort to create more jobs and help workers balance work with family life.

The Ministry of Labor Affairs plans to draw up the guideline by September, ahead of the G-20 Summit to be held in Seoul in November. The focus will be on encouraging workers to use all of their vacation and leave work on time while discouraging habitual overtime, it said.

"As we have become an aging society, we need to share the available jobs by simply abiding by the rules," a ministry official said.

The more workers and companies stick to the suggested working hours, the higher work efficiency will be and the more jobs will be created, the government hopes.

According to an OECD report in 2007, Koreans work for an average of 2,316 hours a year, the longest among the 30 member states.

This is far higher than workers in the U.S., who work 1,792 hours a year, and the OECD average of 1,768 hours.

In 2007, the International Labor Organization said that the productivity of South Korean workers is merely 65 percent that of other developed nations'.

Moreover, long hours expose workers to health risks. The number of those who took time off due to heart and vascular disease, the risk of which are known to be increased by excessive work, marked 514 in 2007.

Prof. Lim Jong-han of Inha University Hospital warned that excessive overtime can affect a person's melatonin level, which can increase the risk of diseases such as breast cancer.

"Excessive working during nighttime affects the secretion of melatonin, which controls hormones involved with cancers and diabetes," he said at a seminar in September last year.

Han In-im, a researcher at Green Hospital in Seoul, suggested that 40 hours a week is an appropriate amount when considering workers' health.

The government hopes that the strict observation of working hours will create more jobs. More than 1.2 million are currently out of work, the largest number in 10 years.

The major opposition Democratic Party said that sticking to the guidelines could create up to 2 million new jobs. "It is time we thought about working smart. It will also make room for family time, which could contribute to fighting the low birthrate," it said.

New Samsung, SE phones

BARCELONA - SAMSUNG Electronics and Sony Ericsson unveiled new smartphones on Sunday as the two companies seek to catch up to their rivals in the fast-growing segment of the mobile phone industry.

South Korea's Samsung and Swedish-Japanese group Sony Ericsson showed their new multimedia handsets in Barcelona, Spain, on the eve of the industry's biggest annual gathering, the Mobile World Congress. The two companies trail far behind Nokia, iPhone-maker Apple and BlackBerry-maker Research in Motion (RIM) in the market for smartphones, devices with Internet, emails, music players and games.

The touch-screen Samsung Wave, to be launched in May, is the first device fitted with company's new mobile operating system, Bada, which was unveiled late last year. Jean-Philippe Illarine, telecommunications marketing director at Samsung Electronics France, told AFP the Wave would be the crown jewel of about 15 smartphones that Samsung will launch this year. No sale price was released.

Sony Ericsson, the world's fifth biggest mobile phone maker and a pioneer of the smartphone segment, has lost ground in recent years. Its chief, Bert Nordberg, conceded in Barcelona on Sunday that the company had gone through a 'turbulent year'.

The company unveiled its first Android smartphone, Xperia X10, in November. On Sunday, it displayed its touch-screen 'little brothers', the X10 Mini and the X10 Pro. Sony Ericsson will also launch Vivaz Pro, which includes high-definition video and works under Nokia's Symbian operating system. -- AFP

(The Korea Herald 16 Feb) U.S. investor renews bid for Daewoo Engineering

A group of U.S investors has resubmitted its bid for a controlling stake in Daewoo Engineering & Construction Co., Korea's No.2 builder, industry sources said Tuesday, according to Yonhap News.

"TR America Consortium has shown interest in taking over Daewoo Engineering again," said an industry source. Representatives of TR America Consortium, which participated in an earlier auction to buy the stake in Daewoo, will visit Seoul this month to negotiate a takeover, the sources said.

Kumho Asiana Group, the builder's parent, is seeking to sell Daewoo Engineering after it experienced a liquidity crisis in the wake of economic downturn.

(The Korea Herald) Samsung clinches top spot in N. America

Samsung Electronics Co., the world's second-largest mobile phone maker, clinched the top spot in the North American mobile handset market on an annual basis for the first time last year since its entry there in 1997, a U.S.-based researcher said Tuesday and Yonhap News reported.

According to Strategy Analytics (SA), handset shipments to the region by Samsung came to a record 48.50 million units in 2009, giving Samsung a 25.7 percent share of the North American market.

During the reported year, Samsung beat out Motorola Inc., the No. 1 mobile handset seller in North America in 2008, some 13 years after the Korean company entered the lucrative market.

It also marked the first time that Samsung shipped more than 40 million mobile handsets a year to North America and took more than a 25 percent share of the market.

Next BOK Governor to Undergo English Test

What are the key criteria for picking the new governor of the central bank? Ironically, according to government officials, proficiency in English and an extensive international network

Ahead of the G-20 Summit in Seoul, the next governor should be able to preside over international meetings in English and he should have an extensive network with foreign financiers, the official said.

He added that the G-20 Summit in November will adopt policy consensus made by central bankers. Thus, the next Bank of Korea governor should play a key role in coordinating financial issues among the countries involved.

Several candidates have emerged as the next governor of BOK but the market sees none of them being free from the growing influence of the government on the central bank.

Governor Lee Seong-tae will leave office by the end of March when his four-year tenure ends. His successor will be appointed by President Lee Myung-bak, who wants the central bank to cooperate more tightly with the government to boost economic growth.

There are four to five names on the unofficial candidate list circulating in the financial market and local media. On top is Euh Yoon-dae, a former professor of business management and a top advisor to the President.

Euh has been most often named as the most likely candidate because of his proximity to the President as well as his international exposure. The president of Korea University is now the chairman of the Presidential Council on National Branding.

In a recent interview with Hankyoreh, a Korean-language newspaper, Euh said that he has known the President for over 30 years since they were in the same college. He denied that he has been offered the BOK job, but didn't rule out the possibility either. "for now, I have to do what I am supposed to do," he said ambiguously.

With a doctoral degree in business management, Euh is not a typical economist. But he is well versed in the intrinsic role of the central bank as he served as a member of the Monetary Policy Committee between 1992 and 1995.

The second on the list is Kim Jong-chang, the current governor of the Financial Supervisory Service, the financial regulator. While Euh has a more outgoing personality, Kim is often seen as a gentle and rational bureaucrat type.

His strength is that he has held various key posts in the government as well as in the private sector - he was the CEO of the Industrial Bank of Korea.

Kim Choong-soo, South Korea's ambassador to the OECD, follows close behind. He was the head of the Korea Development Institute and was the economic adviser to President Lee in 2008. Park Chul, former vice governor of BOK, is also thought to be the only candidate with roots in the central bank. Except for Euh, the three candidates all have post-graduate degrees in economics.

Despite speculation on who will take the job, market watchers have a single voice in that none of them will bring more independence to the BOK from the President.

"These days, it is clear that the government's role has become very important in setting economic and financial policy," said Yoon Yeo-sam, a bond analyst at Samsung Securities. The bond market is the most sensitive part of the economy to the central bank policy, because even a slight change of the key interest rate can have a massive effect on its bottom line. Yoon also said that no matter who becomes the governor, there won't be significant change in the policy of the BOK in a near future.

President Lee has indicated that he wants the central bank to cooperate more closely with the government in setting monetary policies. In most developed countries, the independence of central banks has been considered an important factor, in order to effectively control inflation.

Though there are empirical studies showing the inverse correlation between the independence of central banks and inflation, some economists also point out that the long-term growth of an economy has little to do with their independence, nor with the inflation rate.

(Korea Herald) Korea, India to expand personnel exchanges

Korea and India plan to expand personnel exchanges in the nuclear field that could help lead to cooperation in the building of atomic reactors, the government said Tuesday, according to Yonhap News.

The Ministry of Education, Science and Technology said the exchange is a follow-up to a Seoul-New Delhi summit held in India last month, in which the two countries agreed to facilitate contact between experts and fuel vital information sharing.

Korea, which recently secured a deal to build nuclear reactors for the United Arab Emirates (UAE), is aiming to become one of the top three exporters in this field by 2030 and seeking new markets in such countries as Turkey, Jordan and India.

The ministry said six engineers from India Bhabha Atomic Research Centre (BARC), who arrived in Korea on Tuesday on a four-day trip, are to attend a seminar the next day in Seoul that will touch on general atomic energy policies, safety and research and development efforts.

The Mumbai-based BARC is a state-run institute under India's atomic energy department and is the country's primary nuclear research body.

Inter-Korean trade surge 52 percent in Jan.

Trade between South and North Korea showed steep growth last month despite political tensions between the divided states, a government report showed Thursday, according to Yonhap News.

According to the report by the Korea Customs Service, inter-Korean trade soared 52.1 percent from a year ago to \$169.37 million in January. By region, Seoul accounted for 50.8 percent of total trade.

South Korea's exports to the North amounted to \$79.91 million while its imports from the communist country came to \$89.46 million, with the South's trade deficit with the North reaching \$9.55 million, the report said.

In December 2009, South Korea posted a surplus of \$23.91 million from its trade with the North for the first time in 16 months amid the global economic crisis.

The surge came in spite of political tensions on the Korean Peninsula.

(The Korea Times) Korea throws W370b behind wireless IT

The government plans to spend billions of won to support venture companies in wireless IT-related fields, Korea Communications Commission Chairman Choi See-joong said Wednesday.

Speaking at the Mobile World Congress in Barcelona, Choi said that a second "venture boom" is required for the country to become a "wireless IT powerhouse," and that the government will use

the 370-billion won (\$322-million) Korea IT Fund, KIF, to support venture companies in related areas.

"Policy support will be provided so that star companies like NHN and NC Soft can be created from the mobile sector," Choi was quoted as saying by the Yonhap news agency.

Choi also said that he is hoping that the scale of the KIF will expand from the current 370 billion won next year.

The KIF was established in 2002 by the country's three telecom operators to invest in the IT sector.

Although the fund was originally scheduled to be dissolved in December, the dissolution date will be postponed.

The KIF is operated by a six-member committee whose seats are filled by three KCC-nominated individuals, and one recommended by each of the three telecom operators.

Choi said that investments will be focused on venture companies in the early stages of development that specialize in a number of wireless IT-related fields including content, advertising and smartphones.

The KCC's plans for the mobile IT sector includes establishing a center providing support to application developers, and encourage mobile carriers and handset makers to collaborate in related fields including operating applications stores.

In order to facilitate the establishment of a collaborative environment between the concerned parties, a conference for the heads of mobile carriers, device makers and contents providers will be held on March 5, the KCC said.

As part of its plans for stimulating the growth of the mobile IT field, the KCC will also form a taskforce with mobile carriers, device makers and contents providers that will oversee the execution of related projects.

The KCC also plans to create an optimal wireless environment for smartphones by expanding Wi-Fi and WiBro coverage. The KCC will also review plans for introducing payment plans that will facilitate the spread of smartphones, officials said.

(The Korea Herald) LG targets \$100 mln in monitor sales in Japan for 2012

Korea's LG Electronics Inc. said Friday it aims to raise its sales of computer and television monitors in Japan to \$100 million by 2012, up some 67 percent from last year, according to Yonhap News.

LG Electronics has released seven new models, mostly high-end products and three-dimensional screens, on the Japanese market, as it aims to claim the No. 1 spot in sales for the next two years, the company said.

Hyundai to up US market share

ORLANDO - HYUNDAI Motor Co aims to increase its share of the US market to 4.5 per cent this year from 4.2 per cent in 2009, helped by popular new product launches and aggressive marketing.

South Korea's Hyundai, the only major automaker to increase sales in the battered US market last year, sees a 'really good chance' that its US sales will break the 500,000 unit mark for the first time in 2010, US sales chief David Zuchowski told Reuters in an interview.

Last year, Hyundai's US sales rose 8.3 per cent to 435,064 units, while overall US industrywide sales were down 21 per cent. Its share of the US market jumped to 4.2 per cent from 3 per cent in 2008.

'The 500,000 number is a magical number for us,' Mr Zuchowski told Reuters on the sidelines of the National Automobile Dealers Association convention in Orlando, Florida.

Hyundai US chief executive John Krafcik, in a separate interview with Reuters, said it is unlikely that the automaker can match its hefty 1.2-percentage-point gain in US market share in 2010.

Mr Zuchowski agreed, pointing out that while Hyundai may gain a share due to a drop in Toyota sales in 2010, rivals General Motors Co and Chrysler Group LLC won't be as weakened as they were in 2009, when both went through federally funded bankruptcies. -- THOMSON REUTERS

Breweries to Be Told to Ease Campus Promotion

Jeon Jae-hee, minister for health, welfare and family affairs, Wednesday, asked the heads of student councils at universities nationwide to refrain from encouraging heavy drinking at welcoming parties for freshmen.

Concerned about a series of accidents by drunken students, which have often led to serious injury or even death, the minister promised her full support to student communities opting to hold "alcohol-free" welcoming parties

"Just when the whole family is overjoyed with their children being admitted to universities for a new life, they are hit by the tragic news," she said in a letter sent to the chiefs. "It is also a huge loss for the society waiting for talented youngsters to grow up and take their part in society. We hope elder students will lead their juniors and freshmen to establish sober yet fun and active party cultures at the ivory tower."

Over the past several years, freshmen welcoming parties have been notorious for spreading an excessive drinking culture and creating ruckuses. In some cases, drunken seniors order freshmen to dive into water or dart across tracks in front of oncoming trains, which, in the past, have led to fatal accidents.

The health ministry last year encouraged student communities nationwide to join a sobriety vow for their get-togethers.

Minister Jeon is also planning to contact breweries to stop them providing free booze to campus parties as a means of promotion. These events have been accused of proliferating drinking habits among youngsters.

This is the second time she has made direct appeals to students over alcohol abuse, following her "tea time" with the heads of student councils last year.

She is the first Cabinet member to have talked to students over the problems rather than giving direct orders to university authorities and to have asked liquor makers to address the problem as well.

In fact, Jeon's groundbreaking and pragmatic approach has been seen in other areas within her ministry. The ministry has designated every Wednesday as "Family Day" encouraging workers to go home early to spend quality time with their families.

On the third Wednesday of January, the authorities turned off all the lights at the ministry building at 7 p.m. in an attempt to drive all the workers home, have more time with the family and, most importantly, have more children. Government insiders have called the strategy the most straightforward and highly compelling idea the administration has had so far to boost the falling birthrate.

STX Pan Ocean returns to profit

STX Pan Ocean Co., Korea's largest bulk-shipping line, posted a fourth-quarter profit as Chinese demand for coal and iron-ore shipments boosted freight rates.

Net income of \$33 million compared with a loss of \$95 million a year earlier, the Seoul-based shipping line said in a statement yesterday. Sales dropped 40 percent to \$1.05 billion.

The Baltic Dry Index, a measure of commodity-shipping rates, averaged 3,401 in the past quarter, almost triple the level a year earlier, as Chinese demand for raw materials rebounded from a slump caused by the global recession and the credit crunch. The pick-up caused Mitsui O.S.K., operator of the world's largest merchant fleet, to more than double its fiscal year profit forecast last month. "STX Pan Ocean has benefited from a recovery in steel production," said Um Kyung-a, a Seoul-based analyst at Shinyoung Securities Co.

"Rates and STX Pan Ocean's earnings will be probably both remain stable this year."

The Baltic Dry Index will probably average between 3,000 and 3,500 this year, she said. The index rose 2.4 percent to 2,661 yesterday in London.

STX Pan Ocean's operating profit, or sales minus the cost of goods sold and administrative expenses, totaled \$12 million in the October-December quarter, compared with a \$58 million loss a year earlier, the company said.

The shipping line was unchanged at 11,250 won in Seoul trading as of 2:01 p.m. The company's Singapore-listed shares climbed 0.4 percent to \$14.38 during the trading break.

"We expect the dry bulk demand this year to grow 5 percent to 6 percent on Chinese demand and overall market condition to improve from 2009," STX Pan Ocean said in the statement. (Bloomberg)

Korea urged to launch FTA negotiations with Turkey

Korea should actively seek a free trade deal with Turkey because of the Middle Eastern country's great potential for growth, researchers said here Friday, according to Yonhap News.

Korea is planning to launch negotiations with Turkey to reach a free trade agreement this year. The two countries are expected to make a final decision on whether to open talks next month.

"A free trade deal with Turkey is necessary as South Korea will come to have an expanded market," Sung Han-kyung, a researcher at the state-run the state-run Korea Institute for

International Economic Policy, said at a public hearing. "South Korea will be able to garner a share in Turkey's service market as well, and more companies will be able to explore business opportunities."

The Turkish economy grew at an annual rate of 6.8 percent in 2004-2008. The country of 73 million people is seeking to join the euro zone, which could provide even more business opportunities for Korean companies should a trade pact be sealed, he said.

"South Korea will be able to expand ties with Turkey in every sector through a free trade deal," said Cho Yang-hyun, a researcher at the state-run Export-Import Bank of Korea. "South Korean companies will be able to make inroads into energy and other sectors."

Seoul to increase overseas aid 20%

South Korea has increased the amount of its official development assistance almost 20 percent to nearly 420 billion won (\$362 million) from around 354 billion won last year, officials said yesterday.

The Korea International Cooperation Agency--the government agency for extending overseas grants--said its budget for this year rose by 65.5 billion won, or 18.5 percent compared to 2009.

Interest-free grants are to account for the bulk of the funds, officials said.

This year, the agency plans to select 27 priority countries of the 56 eligible for Seoul's aid to extend about 80 percent of its budget this year.

The move is part of Seoul's new policies to send aid to a more select group of nations that are the most in need of assistance, officials said.

Half of the funds will go to countries categorized as severely underdeveloped or low-income, such as Tanzania, Ethiopia and Niger. This measure was decided following the recommendation of the Development Assistance Committee of the Organization for Economic Cooperation and Development.

Seoul became an official member of this exclusive club of the world's top donors in November.

Funding to support peace-building projects in war-torn regions such as Iraq, Afghanistan, Pakistan and Palestine will also be increased two-fold, the aid agency said.

The biggest jump in aid was seen in the assistance to Afghanistan amounting to four times the amount Korea extended last year.

Seoul also plans to send additional civilian aid workers to Afghanistan, along with a 300-strong contingent of soldiers to help protect the workers.

The National Assembly here, however, has yet to approve the decision.

Korea will also significantly increase its assistance to countries that sent troop support to Seoul during the 1950-53 Korean War, such as the Philippines. The assistance to these selected countries is to climb to 15 billion won from 9.7 billion won a year earlier.

Colombia will receive about 7 billion won this year, up almost 500 percent from 1.2 billion in 2009.

The agency plans to offer most of its aid in the form of supplies or economic development projects that also include rebuilding operations and dispatching volunteers under the country's Global Friends Korea program.

Reshuffle at BOK clouds exit outlook

After the United States moved closer to unwinding emergency economic measures, the spotlight is now on officials in Seoul as to when they will start their exit strategy for the Korean economy that is recovering much faster.

"Following a tightening move in China, the United States is now accelerating toward the exit (of drastic measures taken to fight a sharp economic downturn," said Yu Jae-ho, an analyst at Kiwoom Securities Co. in Seoul.

"But Korea is sending only signals (of tightening,) with no action," he said. The Bank of Korea should hike the interest rate from the current record-low level next month, he added.

On Feb. 11, Korea's central bank left the benchmark interest rate unchanged at a record-low level, as global uncertainty heightened with European debt problems and in the face of the government's opposition to a rate hike. The interest rate has stayed at 2 percent for a year since February 2009.

Korea's economic conditions are ripe for a rate hike, but the rate outlook is shrouded by political factors, such as the change of the guard at the Bank of Korea, some experts said.

"The government has made it clear that it doesn't want a rate hike at least in the first half. To go against it, the BOK will have to have a sufficiently urgent need for a rate hike," said Oh Suk-tae, chief economist at SC First Bank. He expects a hike in the second half.

At a parliamentary session earlier in the week, Finance Minister Yoon Jeung-hyun reiterated the government's stance that it will stick to an expansionary fiscal policy throughout the year.

"While downside risk persists, private consumption and corporate investment are not picking up as fast as we hope. We need to maintain an expansion mode until next year," Yoon said.

He has publicly voiced opposition to the central bank's case for an early rate hike, sending its representative to the central bank's monetary policy meetings for the first time in a decade.

President Lee Myung-bak is to name a successor to BOK Governor Lee Seong-tae who retires at the end of March. Two other members of the seven-member monetary policy board are to finish their terms in April.

Lee has been calling for the normalization of the interest rate, saying the current level is too low as it was set to fight sharp economic contraction.

The government expects Asia's fourth-largest economy to grow around 5 percent in 2010, while the central bank predicts a 4.6 percent expansion.

Speaking at the National Assembly alongside Yoon, Lee said a rate hike may not be far away.

Samsung plans big R&D spending

Samsung Electronics is looking to invest around 700 billion won (\$604.5 million) in building a new research center in Korea and to subsequently recruit 10,000 new researchers, government sources said yesterday.

The Korean company, the world's top maker of TVs and the No. 2 handset maker, has set up a taskforce for the construction of the large center, which is expected to cover all of Samsung's seven businesses including semiconductors, displays, TVs and handsets, the officials at Gyeonggi Province said.

Samsung plans to sign a memorandum of understanding with Gyeonggi Province on Monday to add a new research center in its complex in Suwon, Gyeonggi Province, they said. Samsung CEO Choi Gee-sung and Gyeonggi Province Governor Kim Moon-soo plan to attend the ceremony, which is scheduled to take place at the Suwon complex which represents Samsung's headquarters, they said.

An official told The Korea Herald of Samsung's plans to spend an estimated 700 billion won on the new research center and employ 10,000 new researchers after the building is completed in 2013.

"Samsung's existing research centers have already exceeded their capacity, and a new one needs to be constructed," another official told The Korea Herald.

The envisioned 25-floor building is expected to be the biggest research building in Korea, with the floor space of 297,000 square meters.

There are two research centers at Samsung's Suwon complex - the 36-floor Digital Research Center and the 25-floor Information & Communications Research Center.

A Samsung spokesperson confirmed that the company plans to set up a big research center in its Suwon complex and to sign a memorandum of understanding with Gyeonggi Province, but said that the size of its investments and recruitment is not finalized.

"We are in negotiations with Gyeonggi Province," the spokesperson said.

She said the envisioned research center could accommodate 10,000 people, including some researchers who are scattered at other buildings because of lack of space.

Samsung's move is seen to boost its research prowess as the company aims to quadruple its sales to \$400 billion and become one of the world's top 10 companies by 2020.

The company seeks to expand its influence beyond TVs and handsets, memory chips and displays and to boost its sales of cameras, laptops, printers and home appliances, as well as system LSI and networks. Samsung also sees "health, environment and life care," along with "infotainment" as its new growth drivers.

Samsung last year overtook HP as the world's biggest technology company in terms of revenue by achieving annual sales of 136.29 trillion won (\$117.7 billion).

Socio-cultural Façade;

Detailed News:

University Grads Select Tutoring as First Jobs

Kim, 26, graduated with a degree in mass communications from one of the top private universities in Seoul in 2008. She tried to get a job at broadcasting stations and conglomerates, but failed to secure a position after a year.

While preparing for next year's recruiting season, she started teaching English part time at a private cram school.

"I lived in the United States for several years in my school days and I thought I could teach English to children," Kim said.

After a year, she decided to take it more seriously and started studying to get a Teachers of English to Speakers of Other Languages (TESOL) license.

"My parents wanted me to get a job that they thought was proper, but being an English teacher at a private institute is not such a bad profession," she said.

She is one of many college graduates who have decided to teach at private institutes.

According to a recent survey conducted by the Korea Educational Development Institute, 12 percent, or 2,500 students, of liberal arts graduates took a job as a language or liberal arts lecturer last year.

The trend was similar in other fields as six percent who graduated with science degrees and 17 percent of those with art degrees also jumped into the workforce as teachers at private institutes.

For education students, the number who took positions at private cram schools reached 1,610, nearly matching the number of those who became teachers at elementary, middle and high schools (1,639).

The major with the highest employment rate at large companies was ocean engineering at 36.8 percent. Such graduates mostly join heavy industry, which includes shipbuilding.

Five of the top 10 employment rates by major were taken up by engineering-related majors, including mechanical (28.4 percent), industrial (25 percent) and electronics (24 percent).

The major of economics marked fifth on the list at 24 percent, followed by linguistics, aeronautics, and Spanish language and literature.

Among grad school graduates, aeronautics topped the employment rate list at 35 percent.

For vocational college graduates, the majors of ocean engineering, metallurgical engineering and fashion all had high employment rates.

University tuition sees five-year surge

Park Se-ho, a student majoring in communications at Sogang University, feels burdened by the university's plan to raise tuition by 3.34 percent.

"As I have relied on the state student loan program to pay my tuition fees, the announcement makes me feel uneasy," said Park. "Students here have felt bad as the increase was bigger than

those of other universities and the announcement came abruptly without any consultation with the student council."

He said students have rallied by organizing a petition to show their objection to the increase.

Despite recent moves by more than 15 universities in Seoul to freeze tuition fees this year, some universities, including Yonsei and Hanyang, have decided to raise their fees.

Tuition fees at local public universities have increased by an average of 1.29 million won (\$1,129), or 44.5 percent, over the last five years, according to government data released yesterday.

According to the data from the Education Ministry on tuition fees collected by local universities between 2004 and 2009, fees at private universities increased by an average of 1.65 million won, a 28.6 percent increase from five years ago.

Average tuition fees at private and public universities last year were 7.42 million won and 4.19 million won, respectively. In 2004, tuition fees were 5.77 million won and 2.9 million won, respectively.

The rate of the tuition increase was higher than the inflation rate during the period.

The inflation rate was 3.6 percent in 2004, 2.8 percent in 2005, 2.2 percent in 2006, 2.5 percent in 2007 and 4.7 percent in 2008.

The rate of the tuition fee increase at private universities was 5.9 percent in 2004, 5.1 percent in 2005, 6.7 percent in 2006, 6.5 percent in 2007 and 6.7 percent in 2008. The rate at public universities was 9.4 percent in 2004, 7.3 percent in 2005, 9.9 percent in 2006, 10.3 percent in 2007 and 8.7 percent in 2008.

As local universities froze their tuition fees last year amid the deteriorating economy, the rate of the tuition fee increase last year at both private and public universities was 0.5 percent.

Over the past five years, tuition fees in medical and engineering departments increased by the largest amount, according to the data.

In 2004, the average tuition fee for medical departments at private universities was 7.8 million won, but it increased to 10.04 million won last year. The average tuition for engineering departments at private universities was 6.53 million won in 2004, but increased to 8.42 million won last year.

The average tuition fee for medical departments at public universities was 4.62 million won in 2004 and it increased to 6.76 million won last year. The average tuition fee for engineering departments at public universities was 3 million won in 2004, but increased to 4.41 million won last year.

According to a report released in September by the Organization for Economic Cooperation and Development, Korea has the second-highest college tuition fees after the United States.

(The Straits Times) Preparations under fire

TOKYO - JAPAN'S World Cup preparations drew heavy fire on Monday for the team's lack of striking force as the national side finished third in the four-nation East Asian football championship.

Infuriated fans have called for the scalp of coach Takeshi Okada, and the national football authority is planning a meeting with him to explore ways to shore up the Blue Samurai four months before the global tournament. 'I am sincerely sorry for not winning at home,' a stern-faced Okada told reporters after ending the championship with a 3-1 defeat to South Korea on Sunday. 'Whatever I say will only be excuses. I humbly accept the criticism.'

The three-time Asian champions were held to a goalless draw by lower-ranked China in the championship opener, which caused frustrated home spectators to boo after Okada's ground-side interview.

Japan beat Hong Kong 3-0 on Thursday, but missed many opportunities after firing 22 shots on goal. The game, on a national holiday, attracted 16,368 spectators, the lowest ever for the top Japanese squad. Japan's arch-rivals South Korea defeated Hong Kong 5-0.

On Sunday, the Japanese side crashed to a shock defeat to South Korea, leaving a frustrated home crowd to boo for a third game in a row, and leaving China to regain the championship. After the South Korea game, furious home fans displayed a banner at the National Stadium that read: 'Fire Okada!'

Local media provided a forum for heated fans to vent their anger at Okada. The sports daily Sports Nippon said that its Internet survey found almost 90 per cent of participants were calling for a new coach. Nearly all of the participants now expect Japan to fail to reach the knock-out round in the World Cup, the newspaper said. -- AFP

Inauguration of PKO for Haiti Mission Due

South Korea will designate a unit for peacekeeping operations (PKO) for earthquake-stricken Haiti Wednesday, the Ministry of National Defense said Tuesday.

Defense Minister Kim Tae-young will attend the inaugural ceremony of the 240-strong contingent, the sixth PKO unit from the country, the ministry said in a news release.

About 1,400 people will attend the ceremony at a military base in Incheon. Among them will be Foreign Minister Yu Myung-hwan, Gen. Lee Sang-eui, chairman of the Joint Chiefs of Staff, Gen. Walter Sharp, commander of the ROK-U.S. Combined Forces Command and lawmakers from the National Assembly's Defense Committee.

The Assembly passed a motion on Jan. 9 to deploy the contingent to work with the United Nations Stabilization Mission in Haiti (MINUSTAH). The contingent includes 120 engineers, 26 staff officers, and 41 Marines and reconstruction workers, according to the release.

Army Col. Kim Soo-seong will lead the contingent. Kim led the Dasan engineering unit in 2003 for rehabilitation missions in Afghanistan. The members of the unit will leave the country aboard a chartered airplane on Feb. 27.

A group of 30 troops left for Haiti last week to lay the groundwork for future arrivals. The forward group has worked to set up a post at the coastal city of Leogane, some 40 kilometers west of Port-au-Prince, Haiti's capital, where the Korean troops are slated to be stationed.

Hundreds of thousands of people have been confirmed dead since the small Caribbean country was hit by a powerful 7.0-magnitude earthquake last month.

South Korea has pledged more than \$16 million in aid to Haiti, and plans to share the estimated \$25 million cost for its peacekeeping force with the United Nations.

In Haiti, there are 9,000 multinational troops and police enforcements, and more nations are promising to send troops, or add to the forces they have already dispatched.

Parasitic Worms on Rise

Parasitic worms used to be such a health concern that students submitted their stool samples to check for the problem. While this is no longer the case, recent research shows that there may be a false sense of security.

According to doctors at the Samsung Medical Center, the number of helminthes detected in human intestines has jumped 1.2 times annually for the period of 2000 to 2006.

Dr. Lee Jun-haeng of the internal medicine department searched the records of 78,073 people who had visited the hospital for regular health checkups between 2000 and 2006. Their average age was 49.4.

By looking into their bowels, the research team found that 2.51 percent had helminthes in their intestines in 2000, but the figure jumped to 2.63 percent in 2001 and 4.45 percent in 2006.

Most of the detected helminthes were roundworms, whipworms, liver flukes, endolimax nanas, as well as five others.

Doctors attributed the largest reason for the increase to people being less aware of the harm of these helminthes. "Liver flukes are parasites in freshwater fish, which is eaten raw as sashimi by an increasing number of people. The pills we eat to kill of such helminthes usually only work for the eelworms, which leaves plenty of space for others," the doctor was quoted as saying.

"People consider being careful about helminthes as old fashion. However, they can cause severe stomachaches, weight loss and other symptoms, which can require medical treatment."

In his report, Lee said residents of Busan, Ulsan and other South Gyeongsang provincial regions showed the biggest increase while Seoul, Incheon, Gyeonggi also showed significant jumps.

Lee's findings were printed in the Korean Association of Internal Medicine journal.

Rebate-Taking Doctors to Face Jail Term

Doctors and pharmacists who receive what are widely known as "rebates" from drug makers in return for prescribing or recommending their products may spend up to a year behind bars or have their license suspended for up to a year.

If doctors choose to get a discount on drugs rather than receive the rebates, the government will provide them with incentives in terms of pricing, the Ministry for Health, Welfare and Family Affairs said Tuesday.

The plan is part of a guideline to make dealings between drug makers and doctors more transparent. The plan will go into effect in as early as October.

According to the guidelines, those who receive kickbacks from drug makers will be punished with a prison term. If caught more than twice, the drugs will be scrapped from the national health insurance coverage list. Removal from the list means a drastic drop in sales in most cases.

Those who report cases of doctors or pharmacists taking kickbacks will receive up to 300 million won in reward.

"By punishing those on both the giving and receiving ends of the rebates, we are expecting to root out the practice," ministry official Park Ha-jeong said during a briefing. A related bill has already been submitted to the National Assembly with passage expected soon.

Moreover, the ministry has come up with an overall pricing format. Hospitals with doctors who "give up" their taking of kickbacks and opt for the legal discount for prescription drugs will receive about 70 percent of the difference from the state fund.

Park said the system will enable patients to benefit from cheaper drugs and hospitals to clean up their acts, while still keeping their profits steadily.

Such an aggressive plan comes as rebates have long been accused of being the No.1 reason behind high drug prices. According to a report by the Korea Health Industry Development Institute, 120 domestic drug companies dished out a total of 4.2 trillion won (\$3.3 billion) over a one-year period, which accounts for 40 percent of their annual revenue, on marketing, rebates and other expenses for boosting sales.

The ministry expects the comprehensive plan to bring down drug prices by 3 to 5 percent a year, helping patients save up to 154 billion won a year.

However, pharmaceutical companies are opposed to the plan, with some referring to it as the "industry killer."

"It is true that the illegal practice of rebate-giving have been a headache for a long time. However, inducing hospitals and doctors to give out discounts will only fuel severe price competition among drug makers. Moreover, the illegal rebate practice will remain among doctors who still want rebates and those who do not want to mark down the prices of their drugs," the Korea Pharmaceutical Manufacturers Association said in a press release.

The group's president Auh June-sun recently offered to resign in protest against the plan.

Korea Launches PKO to Help Rebuild Haiti

President Lee Myung-bak called for greater efforts to help earthquake-devastated Haiti, Wednesday, saying it is time for Korea to repay the "debts" it owes to the Caribbean nation from the 1950-53 Korean War.

"Haiti was one of our allies during the war. We should always be grateful for this," Lee said in a speech read by Defense Minister Kim Tae-young, at a ceremony in Incheon to send a contingent of peacekeeping troops to Haiti. "Our assistance can help the Haitian people with hope and courage."

It will be Korea's sixth U.N. peacekeeping mission after those to Somalia, Western Sahara, Angola, East Timor and Lebanon.

As a responsible member of the international community, Korea should increase its participation in efforts to fight poverty and disasters around the world, Lee said.

South Korea will be sending a total of 240 peacekeepers to Haiti this month as the sixth United Nations peacekeeping unit working on rebuilding the quake-ravaged state.

The dispatch came after the National Assembly approved last week a 28.7 billion won (\$25 million) plan to deploy peacekeeping troops to Leogane, one of the Haitian regions hit hardest by the massive 7.0-magnitude earthquake on Jan. 12.

A ceremony for the South Korean peacekeepers was attended by more than 1,400 people, including defense and foreign ministers, military chiefs and family members of the soldiers.

Following an advance unit of 30 troops, which left the country last week, the main contingent of South Korean peacekeepers, including some 100 military engineers and 20 medics, is scheduled to depart for Haiti on Feb. 27. The troops will remain stationed there until Dec. 31.

President Regrets Violent Graduation Rituals

President Lee Myung-bak expressed regret Wednesday over an ongoing police investigation of students who reportedly forced their juniors to take off their clothes and harassed them following a graduation ceremony at a middle school in Goyang, Gyeonggi Province, last week.

"It is not the police, but society that should handle the case," Lee said during a meeting with his secretaries at Cheong Wa Dae. "It is not just a criminal case, but a matter of culture that should be dealt with by parents, the school and graduates."

Lee called for teachers to take more responsibility for their students, saying their job is not only to give lectures.

"We need to take fundamental measures to help students become valuable assets of our society. They should be educated on what's right and what's wrong in schools," Lee said. "If our society regards this as a simple criminal case involving immature youngsters, we can't resolve fundamental problems."

The instruction followed reports that about 20 senior middle school boys and girls took off their clothes and posed naked for photos near an apartment complex after their graduation ceremony. The pictures were rapidly spread on the Internet, prompting police to investigate the incident.

The case came a day after a street march by two dozen graduating students who were clad only in their underpants from a middle school in Cheongju, North Chungcheong Province. About 30 middle school boys and girls also went on a rampage on a beach in Busan early this month following graduation, pelting each other with flour and eggs, and ripping off girls' clothes.

"We should find the true meaning of graduation," the President said. "We should talk about hopes and be grateful to each other at the graduation ceremony. But something has gone wrong. Our society should take responsibility for this."

Children of Korean War Veterans to Get Scholarships

The Ministry of Patriots and Veterans Affairs has launched a scholarship program for children of Korean War veterans from underdeveloped countries.

The program is aimed at repaying the sacrifices foreign veterans made during the 1950-53 Korean War, the ministry said in a news release. Some 150,000 U.N. forces lost their lives during the war.

Twenty-one nations dispatched their troops to the Korean Peninsula during the war to help fight alongside South Koreans against the communist North. The conflict ended in a truce, not a peace treaty, technically leaving the two Koreas still at war.

The ministry said that it will sign an accord with the non-governmental organization World Together today and start offering scholarships from March.

The scholarships, the first of which will go to children of Ethiopian veterans, will be raised with a collection of "pin money" voluntarily offered by government officials, ministry representatives said.

Some 1.2 million won (\$1,050) was collected last month with officials at the veterans and defense ministries, and the Korea Meteorological Administration paying 1,000 won or less each out of their monthly salaries.

More ministries are expected to join the movement so that the country can expand the scholarship program to other underdeveloped countries, the officials said.

"This program is very meaningful in the sense we are able to financially repay the nations that fought for us during the war six decades ago and thereby strengthen ties with our previous and future allies," an official said.

There is no official account of how many lives were lost during the war, but historians suggest about 970,000 South Koreans; 1.7 million North Koreans; 150,000 U.N. forces, mostly Americans; and 900,000 Chinese died. China backed North Korea during the war.

Ethiopia, one of the most impoverished nations in the world, sent 3,518 troops to the Korean War. Of them, 121 were reported to have been killed in action.

Major Hospitals Overcharge Foreigners

Korea's major hospitals charge foreigners, especially medical tourists, 2.5 to 3 times more than locals but these hospitals say the pricing is globally competitive because of the nation's high quality medical services.

However, critics say the dual and discriminatory pricing policy will ultimately scare away foreign patients, jeopardizing the plan to make the medical tourism industry one of the nation's main growth engines.

To find out the extent of price discrimination, The Korea Times conducted an investigation into major hospitals in Korea.

First, the paper made inquiries on leading hospitals in Seoul about the initial consultation fee which is not covered by the National Health Insurance.

Two-Tier Pricing

When asked in fluent Korean, they answered the fee is set at 16,450 won (\$14.30) whether the patient is insured or not, saying it can be stretched up to 21,950 won if the patient chooses to see a preferred specialist.

They added that the first check-up at tertiary hospitals is not covered by health care.

However, when disguised as an uninsured foreigner, many of the hospitals demanded much higher fees irrespective of the choice of doctors.

Samsung Medical Center in Gangnam said the initial consultation fee was fixed at 70,000 won; the Severance Hospital in Sinchon was slightly lower at 62,000 won; while Soon Chun Hyang University Hospital (SCHUH) in Yongsan charged 35,000 won.

Seoul National University Hospital (SNUH) in Jongno answered it would cost either 36,000 won for a general consultation or 46,000 won to pick a physician with more than 10 years of experience as a specialist.

Medical Fees Rising

During the investigation, many hospital and government officials admitted that a two-tier pricing system has emerged with the advent of medical tourism in Korea, where only non-profit hospitals are allowed to operate under a universal health care system.

Previously, uninsured foreigners were charged the same rate Korean nationals without insurance would pay, but now many foreigners pay much more - roughly two to three times the standard fee.

Noh Jung-woo, chief administration officer of SCHUH, says his hospital charges foreigners roughly 1.5 times or slightly more.

"Foreigners pay more because we run an international clinic within the hospital to meet their demand for a longer consultation, and interpretation services," Noh said.

Officials of other major hospitals also acknowledged that their hospitals have set higher fees for foreigners.

Inha University Hospital set the so-called international rate at 2.2 times the stated fee for locals as did Severance Hospital. Konkuk University and Korea University medical center charge 2.5 times; and Cheongshim International and Hanyang University medical centers, and Wooridul Hospital, three times or more the rate for Korean nationals.

The JoongAng Ilbo newspaper reported in December that the Wooridul Hospital charges seven times more than the standard rate for Japanese patients.

"Japanese patients pay 20 to 25 million won here for an operation," Lee Sang-ho, chairman of the renowned spinal hospital, was quoted as saying. "We will charge foreign patients more to give benefits to Koreans."

Legal Issues

Hospital officials said the international rate is a new term that does not exist in law and is often referred to as the self-regulated rate.

Only a few hospitals, including Severance and SCHUH, reported the existence of the discriminatory fees to the authorities last year, according to government sources.

All hospitals in Seoul's posh district of Gangnam, including the Samsung Medical Center and Wooridul Hospital, failed to report the two-tier pricing scheme, according to Lee Kyung-hee, an official of the Gangnam Community Health Center.

Under medical law, hospitals face a temporary closure when caught twice over negligence to report the fee list for medical services not covered by national healthcare.

However, the majority of hospitals claim that foreigners are not subject to the Medical Law. And if their argument is correct, foreigners cannot be protected from malpractice and other legal risks. Experts say that two-tier pricing may also violate the Fair Trade Law, which stipulates that unfair or discriminatory deals can be punished by a fine of up to 2 percent of the gross sales.

However, Jung Eun-young, a senior policy official at the Ministry for Health, Welfare and Family Affairs, refuted this, saying that legislators revised the Medical Law last May with the clear intent to introduce a two-tier system.

"There was mutual understanding last year that the government needs to deregulate the pricing of medical services for foreigners with the aim of building the medical tourism industry as one of the nation's growth drivers," Jung said.

Under the revised law, hospitals are allowed to directly market medical services to foreign patients, and are obliged to notify the list of fees for medical treatments not covered by insurance through a booklet and Web site from Feb. 1.

Yet, most of the 1,500 hospitals licensed to host medical tourists are reluctant to make such a list available to foreigners.

Excuses for Higher Fees

Moon Joo-young, head of SNUH's international business team, is also well aware that the two-tier pricing scheme has become a norm in the heavily regulated industry.

He believes a discriminatory fee will be inevitable to give a boost to the newly fledging medical tourism industry.

"Medical tourists pay roughly twice compared to locals at SNUH given that the new investment has been made for foreign tourists, including new multi-lingual booklets and the international clinic," Moon said.

"It should be noted that no hospitals will attract foreign patients under a single-tier fee system, as they are already inundated with local patients," he claimed.

According to the OECD Health Data for 2009, the number of doctors per 1,000 people in Korea was 1.7 in 2007, the second lowest among OECD countries after Turkey and well below the OECD average of 3.1.

Moon said he believes Korean hospitals, which have demonstrated excellent outcomes in regards to serious illnesses, should compete with their quality of care in the global market, rather than with lower prices.

"Foreign patients pay slightly more at SNUH compared to other rival hospitals in South East Asia, but the number of non-Korean patients is constantly increasing thanks to advanced medical technologies and expertise," he said.

Lee Ho-young, marketing director of the Global Healthcare Business Center, estimates that Korean hospitals charge foreigners roughly 1.5 times to twice the rate for Koreans, considerably lower than the paper's survey results.

He claims that the dual pricing mechanism is not unethical because most medical tourists carefully compare the price of hospitals abroad before choosing the one that best meets their budget.

"Hospitals should be compensated for their extra efforts to attract and treat foreign patients, such as marketing campaigns, catering customized meals and hiring interpreters," Lee said.

"What concerns patients who shop for the best health care is not how much more they have to pay compared to locals, but how good the product is compared to the ones offered by other hospitals worldwide."

Fear of Second-Class Care

Some fear that medical tourism is a prelude to introduce for-profit hospitals and will result in better care for the rich who want better quality or faster access.

An official of Severance Hospital told the paper that the nation's first Joint Commission International-accredited hospital is already allowing queue jumping to medical tourists, making the waiting time longer for local patients.

According to the World Health Organization, medical tourism may facilitate access to high-level services for the better off. But it warns that this may eventually divert human resources from public services to more profitable private services for the elite in foreign markets.

Foreigners Victims of Inflated Medical Fees

Foreign patients have been the victims of "exceedingly inflated" medical costs in Korea, according to a study by a state-funded think tank.

"The price disparity in medical fees for foreign patients is too high," the report that The Korea Times exclusively obtained says. "The difference between the lowest and highest fees for the most-sought-after procedures among foreign patients exceeds more than 10 times on average."

The Korea Health Industry Development Institute (KHIDI) conducted a survey of 191 hospitals regarding 20 medical procedures between June and December last year and filed the report to the Ministry of Health, Welfare and Family Affairs on Jan. 7, according to sources.

The report shows that some foreign patients were charged rates up to 79 times higher than other foreigners for the same treatment.

Patients undergoing nose reconstruction paid as little as \$398, while others had to pay \$5,238; tooth implants went for as low as \$2,182 or as high as \$26,189; and heart valve replacements were priced as low as \$1,310, as opposed to the highest fee of \$48,730. Spinal fusion surgery was as affordable at \$1,577 to some, while others had to pay the hefty fee of \$24,377.

Such price disparity exists in the heavily price-regulated Korean hospitals largely because of the government view that its pricing policies do not apply to foreigners.

In fact, Article 1 of the Medical Law states: "This law is designed to protect and improve the health of all citizens," leaving foreigners unprotected from malpractice, discriminatory charging, overpricing and patient privacy rights.

The two government bodies refused to release the report, which cost 40 million won (\$34,400) of taxpayers' money, despite repeated requests early this month, over apparent fear that it may deal a blow to the fledgling medical tourism industry.

The National Assembly Research Service and offices of Reps. Shim Jae-chul and Kim Hye-seong also claimed to have been denied access to the ``appalling" figures last week, following this newspaper's investigation into discriminatory medical fees being levied on foreigners.

Korea is the latest comer to the fast growing medical tourism industry and has officially designated it as a future growth engine. The government hopes local hospitals will attract more than 200,000 medical tourists in 2013, more than 10 times the current figure.

Huneed CEO Arrested for Tax Evasion, Slush Funds

Investigative authorities have secured circumstantial evidence that Huneed may have leaked military secrets as it pushed to win deals with foreign defense firms

The chief executive officer (CEO) of a local defense firm was arrested last week on charges of tax evasion and suspected of corruption, the prosecution said Thursday.

Eugene Kim, chairman and CEO of Huneed Technologies, was charged on Feb.10 over allegations of tax evasion, it said.

Investigators from the Suwon District Public Prosecutors' Office had already raided Huneed's offices in Seoul and Gunpo, Gyeonggi Province, last month during a probe into former and incumbent staff over their alleged embezzlement of billions of won.

A source told The Korea Times that Huneed, a communications equipment developer, is also suspected of having posted false stock prices, created slush funds and leaked military secrets to foreign defense firms.

A senior executive from Boeing Korea's headquarters in Seoul was summoned Wednesday for questioning about the U.S. aerospace company's possible corrupt connections with Huneed, the source said.

Boeing made an equity investment of \$20 million into Huneed in 2006 in a bid to enter South Korea's command, control, communications and networks (C3N) market. It has a 16.4 percent stake in the Korean company and is the second-largest shareholder.

Both firms plan to open a modeling and simulation (M&S) laboratory at the Songdo Special Economic Zone, west of Seoul, later this year.

The laboratory, the first of its kind to be established by Boeing in Asia, is designed to test a wide variety of military and commercial platforms and programs through M&S experimentation, visualization and evaluation.

"The prosecution is currently investigating Chairman Kim on charges of tax evasion, but there is a possibility that the probe will be widened to other charges as investigators are closely looking at Huneed's possible leakage of classified military information to foreign defense companies," the source said, asking not to be named.

Huneed officials denied the allegations, saying 2009 audits by the Board of Audit and Inspection and the Defense Security Command concluded that their firm had not been involved in any irregularities, including the leakage of military secrets.

"The investigation is still underway, and nothing has been confirmed," a Huneed spokesperson said.

The authorities, however, have secured circumstantial evidence that Huneed may have leaked military secrets as it pushed to win deals with foreign defense firms, according to the source.

The source said, for example, an incumbent Air Force brigadier general accompanied Kim when the chairman travelled to Israel last year for talks with the firm's business counterparts there.

It is against the law for an incumbent military officer to accompany a defense contractor on a business trip.

The general was a key commander of the ROK Air Force's Operations Command in Osan, about 64 kilometers south of Seoul, before retiring July 31 last year. He subsequently joined Huneed as an executive director after retirement.

Huneed has reportedly sought partnerships with Israeli defense firms to win key arms acquisition programs in South Korea.

In an effort to challenge Lockheed Martin's stealthy F-35 Lightning II aircraft for the forthcoming third phase F-X fighter acquisition bidding, for instance, Boeing is considering integrating Israel-based Elbit's three-dimensional sensor fusion/data display system into the F-15 Silent Eagle fighter.

A Boeing official said during last year's Seoul Air Show that his firm would seek a partnership with Huneed for the integration program

Korea Benchmarks Asia for Food Globalization

Koreans are aiming for the kind of recognition and status that Japanese, Chinese or Thai food enjoy all over the world.

But many observers say the food globalization campaign needs more focus and coordination.

The three government agencies in charge of food, culture and tourism are loosely coordinating over the promotion, leaving foreigners unsure of which Web site to visit.

The main agency in charge of food globalization is the Ministry of Food, Agriculture, Forestry and Fisheries.

It established an inter-governmental committee to promote Korean cuisine last year, appointing first lady Kim Yoon-ok as its honorary chairwoman.

But its English-language Web site needs more comprehensive information. Some outdated pictures and statistics are still on the site.

A Web site for the Visit Korea campaign (www.visitkorea.or.kr) also contains a sketchy view on hansik.

The Japanese food ministry works in close cooperation with the Organization to Promote Japanese Restaurants Abroad (JRO) for promoting Japanese foods and ingredients overseas.

A similar organization will be launched in March by the Korean food ministry in cooperation with experts in the private sector, a ministry official said.

PR experts say that Korea should perhaps take lessons from Japan, which has strategically promoted its cuisine overseas since the 1960s.

For instance, a series of online video advertisements on CNN have been effective in promoting the health benefits and taste of Japanese food as well as the credibility of their agricultural produce.

A well-organized Web site by the Japanese food ministry (<http://www.maff.go.jp/e/index>) serves as a one-stop information gateway for foreigners.

There are currently 24,000 Japanese restaurants worldwide. Korea has around 10,000.

Korea has launched a "Global Hansik" campaign, initiating plans to create a 50 billion won fund and open Korean cooking classes at world-renowned culinary schools.

Under the program, the government plans to increase the number of Korean restaurants overseas to 40,000 by 2017 and promote the uniqueness and healthy nature of the food worldwide.

During a recent meeting with wives of Korean ambassadors, the first lady emphasized a "localization of Korean food" as a key strategy to disseminate hansik.

"Italian restaurants in Italy are run by Koreans with training in Italian cuisine. One of the quickest ways to globalize Korean food is to encourage local people to open as many Korean restaurants as possible," first lady Kim said.

Governmental involvement has been crucial to globalizing Japanese and Thai cuisine.

Koreans sees its food as a major tourist attraction but some surveys show different result.

A recent poll by the Korea Tourism Organization said that more than 40 percent of Chinese tourists in Korea last year found Korean food to be "tasteless."

Chinese visitors are one of the largest groups of foreign tourists in Korea after the Japanese. A total of 1.3 million Chinese visited Korea last year.

(The Straits Times) 7,000 couples wed

SEOUL - SOME 7,000 South Korean and overseas couples tied the knot on Wednesday in a mass wedding dedicated to 'the creation of a peaceful world beyond borders and races', the Unification Church said.

Reverend Sun Myung Moon officiated at the 'True Parents' Cosmic Blessing Ceremony' at a sprawling exhibition centre in Goyang city north of Seoul, the church said in a statement.

The church describes Reverend Moon, 90-year-old founder of the controversial church, and his wife as 'True Parents of Mankind' and Moon himself as 'the King of all Kings'.

Reverend Moon, sporting a bow tie, and his wife blessed the couples from some 20 countries including South Korea, Japan, the United States, Europe, Africa and Oceania. His son and successor as church leader Reverend Hyung Jin Moon also attended the event, the second mass wedding in four months. Another 7,500 couples were united last October at Asan south of Seoul.

Brides in white wedding dresses and grooms in dark suits chanted prayers at Wednesday's indoor event.

The church was founded in Seoul in 1954 and grew into a worldwide organisation. Organisers say the number of believers is confidential. Moon has presided over mass weddings since the early 1960s. In the past he picked spouses for his followers. His daughter-in-law has said she did not see Hyung Jin Moon until they were introduced at their engagement ceremony. -- AFP

Hardworking Koreans win gold

VANCOUVER - THERE was no secret formula for South Korea's success in the Olympic speed skating sprint races in Vancouver, only old-fashioned hard work, Lee Sang-hwa said on Tuesday after winning the women's 500 metres.

Lee followed compatriot Mo Tae-bum, winner of Monday's men's 500 metres, to the top of the podium for a sweep that produced Korea's first Olympic long track speed skating golds.

'I cannot say there was any special thing we did differently,' Lee, 20, told reporters through an interpreter. 'In the past we weren't very successful. But we were able to expand the hours of practice and there was nothing special and no secrets at this time.'

Lee gave her all to vanquish previously unstoppable Jenny Wolf of Germany, who has dominated the distance the last three years, and number two ranked Wang Beixing of China, who took silver and bronze respectively.

After her victory over Wolf by a slender five-hundredths of a second over two races, Lee said: 'Now that I have the medal, I only want to rest.'

News of her triumph created a storm of excitement back home. Within an hour of her victory, Lee's personal Internet page had received about 35,000 hits. A diary she posted there reflected a commitment to excellence on Olympic ice and the pressure she felt to follow the success of Mo and Lee Seung-hoon, who got South Korea off to a great start by claiming silver in the men's 5,000 metres. -- REUTERS

Homogenous S.Korea tested

ANSAN (South Korea) - SOUTH Korea's future can be seen on a street in sub-urban Seoul where signs are written in Thai, Chinese and Vietnamese and the workers who power the local factories have come from 15 different countries.

With the lowest birth-rate in the developed world and an ageing population, South Korea needs foreign workers to keep its economy going, but this has caused rifts in the homogenous state that has yet to decide if it can trust its future to foreigners.

Ansan, about 30 km south-west of Seoul and with a major industrial centre, is at the frontline of the experiment South Korea has been conducting since 2004 to invite foreign workers in for low-paying jobs at small and medium sized firms.

'Foreign workers are a must for this city's survival and for the country's survival,' said Kim Chang Mo, director of Ansan's Migrant Community Service Centre. Ansan has one of the highest concentrations of foreign labour in the country.

Its migrant service centre is staffed with non-Koreans who speak the languages of foreign workers and last year it established a human rights measure for equal protection under South Korean law for migrants working legally and illegally.

Critics say the biggest problem is the central government, which treats migrants as temporary help and has not prepared for what economists say is the permanent presence of a foreign work force to keep the country competitive. -- REUTERS

Acupuncture could help period pain, researchers say

Period pain is a common complaint

Acupuncture may be an effective way of easing severe period pain, a South Korean review of 27 studies suggests.

Researchers said there was "promising evidence" for acupuncture in treating cramps, but that more work was needed.

In the British Journal of Obstetrics and Gynaecology, they noted two studies found little difference between real and sham acupuncture in treating pain.

Acupuncture is a less contentious form of complementary medicine than some, but its value is still disputed.

Period pain can be severe in some women and may be accompanied by nausea, diarrhoea, migraine and backache. Common treatments include pain killers, applying heat and exercise - although a recent study questioned the efficacy of the latter.

This latest review involved 27 studies - which included nearly 3,000 women. They addressed a variety of forms of acupuncture - from classical to acupoint injection.

Complementary therapies should not be used exclusively, at the expense of conventional treatment, unless significant improvements have been made and your doctor tells you otherwise

Professor Philip Steer

BJOG

Traditional acupuncturists insert needles in acupuncture points located along what they describe as "energy meridians" - a concept for which many scientists say there is no evidence. Sham acupuncture places needles away from these points.

It is not clear whether either form alleviates pain as a result of the placebo effect - the very ritual of undergoing acupuncture - or cause subtle changes in the nervous system and brain activity which can be beneficial.

Nice backs needles

The analysis by the team from Kyung Hee Medical Centre found that patients with severe period pain reported a greater reduction in their symptoms when using acupuncture compared with pharmacological treatments.

But they stressed there were methodological flaws in some studies, and that the findings did need to be interpreted with caution. Nevertheless, there was "promising evidence", they wrote.

In the UK, the National Institute for Health and Clinical Excellence (Nice) has backed the use of acupuncture in the treatment of low back pain - a move welcomed by some but criticised by those who say there is little evidence for its efficacy.

The editor-in-chief of the BJOG, Professor Philip Steer, noted that some women had period pain, also known as primary dysmenorrhoea, so badly they were "unable to function normally".

"Women with primary dysmenorrhoea should consult their GPs or gynaecologists on the best treatment available to them. Complementary therapies should not be used exclusively, at the expense of conventional treatment, unless significant improvements have been made and your doctor tells you otherwise."

Korean Army to donate \$327,000 to Haiti

The Korean Army will send Haiti some 380 million won (\$327,000), a voluntary contribution from soldiers wanting to help rebuild the quake-ravaged nation, officials said Friday, according to Yonhap News.

Haiti was hit by a massive 7.0-magnitude earthquake on Jan. 12, which is believed to have killed hundreds of thousands of people and ruined a third of its buildings.

"More than 80,000 soldiers and officers, including Army Chief of Staff Gen. Han Min-koo, donated money from Jan. 25 through Feb. 18. About 387 million won has been raised and will be delivered to Haiti via social service organizations," the Army said in a press release. "We hope to see the country recovering soon."

Cram School Instructors Outdo Teachers

High school students think teachers at hagwon, or private learning institutes, are better than those at regular schools and are more helpful to them in preparing for university entrance.

They also thought private instructors communicate well with students and help them build character.

The Korea Educational Development Institute (KEDI) issued the report after surveying 13,000 students from 107 high schools nationwide.

The survey showed that private instructors received higher scores than school teachers in areas such as professionalism and practicality in teaching.

The students said that when it comes to enthusiasm, cram school instructors beat out school teachers. They also thought private institute lecturers were better prepared in their subjects and better reflect changes in entrance examinations.

The private instructors also received higher scores for respecting students' opinion and understanding them.

Principal KEDI researcher Choi Sang-keun said public teachers should heed the result, though it does not necessarily mean that private institutes affected the study habits or lives of students more than they did.

Yoon, a 16-year-old high school student who participated in KEDI's study, said he usually sleeps during his math class at school, studying instead when he gets to his cram school.

A school parent, identified by his surname Suh, said school teachers seem to be indifferent to students these days.

“My eldest child entered middle school last year, but his homeroom teacher did not seem to be very concerned about the welfare of the students,” she said.

“Once my son was sick and missed school. I called the teacher in the afternoon and the teacher didn't even know my son was absent from school.”

Suh said cram school teachers counsel students and call parents regularly. “When my son's instructors announced they were transferring, parents asked the academy to make efforts to retain them. I think this is something that is wrong, but it is the reality,” she said.

However, school teachers said that they must devote time to student guidance and administrative work in addition to their teaching load, so it is unfair to compare them with cram school instructors.

“Hagwon instructors have to attract more students and when they do well, more students come to them,” said a university student majoring in education. “However, school teachers are assigned to students even if they teach them poorly.”

“It's the difference between a secured job and a job that's not guaranteed.”

“I admit that school teachers have too much trivial work. I had four weeks of teacher training last month and experienced how teachers are burdened with administrative work.”

The Ministry of Education Science and Technology will introduce a teacher evaluation program from March and make the results public from next year. Student and parent satisfaction will be included on the evaluation and the ministry expects the new system to ignite healthy competition among teachers in instructing students.

School-age population to fall below 10 mln this year

Korea's school-age population is expected to fall below the 10 million mark this year for the first time in 46 years due to the country's chronic low birth rate, a government report said Friday, according to Yonhap News.

The report by Statistics Korea said the number of children and young people aged 6 to 21 may reach just over 9.90 million in 2010, down from 10.06 million tallied for the previous year.

The total forecast for this year is the lowest since 1964 when the country had 9.92 million students from primary through university.

"The decrease reflects the drop in birth rate that started in the mid-1980s as the government's family planning policies and transition to a nuclear family started to take effect," said Kim Dong-hoi, head of the population division at the statistic agency.

Korea in 2009 had one of the lowest birthrates in the world, with the total population likely to plunge to 43.2 million by 2050 from over 48 million at present if people continue to shy away from having babies.

Japan

Politico-Strategic Front;

Detailed News:

U.S. to pull out stops for Ozawa-Obama meet,

WASHINGTON (Kyodo) Kurt Campbell, U.S. assistant secretary of state for East Asian and Pacific affairs, said Friday "every effort" would be made to enable Democratic Party of Japan Secretary General Ichiro Ozawa to meet President Barack Obama if he visits the United States.

The U.S. "would take every effort to make sure" that Ozawa could have "the highest level of interactions with the U.S. government," Campbell said in an interview in Washington.

"I cannot speak for specifics, but we would do everything possible to give him the respect and the engagement as one of the most important political players in Japan," he added.

Ozawa, who has been asked to visit the United States around the Golden Week holidays from late April, said earlier this month that being given "sufficient time" to meet with Obama is one of the prerequisites for his visiting.

On the issue of relocating U.S. Marine Corps Air Station Futenma in Okinawa, Campbell suggested the plan "that was developed over a period of years between U.S. and Japanese interlocutors" is the best way forward. But he added that it is "incumbent on us . . . to be prepared to listen and to answer questions and to respond to suggestions, ideas that are raised by our Japanese interlocutors."

Tokyo and Washington formed an agreement on the realignment of U.S. forces in Japan in 2006, as part of which the two agreed to relocate the Futenma facility from a densely crowded residential area to a less populated part of Okinawa.

But the government of Prime Minister Yukio Hatoyama has been looking to change the existing plan.

Ozawa rejects pressure to face Diet ethics panel

Democratic Party of Japan Secretary General Ichiro Ozawa on Sunday rebuffed pressure from senior members of the DPJ-led ruling coalition to face a Diet ethics panel over the scandal embroiling his political fundraising body.

"There is nothing that surpasses the investigation of prosecutors who have legal power," Ozawa said in Fukuoka Prefecture. "As a result (of their investigations), it became clear that there was no wrong done, so the people would clearly understand this."

The Tokyo District Public Prosecutor's Office failed to indict Ozawa due to lack of evidence but succeeded in indicting two of his former secretaries and a current aide for allegedly falsifying political funds reports in connection with a shady land deal in Tokyo involving his fund management body.

The DPJ's coalition partners urged Ozawa to attend.

In an NHK program earlier Sunday, Tomoko Abe, policy chief of the Social Democratic Party, said, "I expect (Ozawa) to attend the political ethics hearing committee of the House of Representatives to explain" about the scandal.

"Many people still think that Mr. Ozawa has to give an adequate account, not just speaking up at news conferences," Shimoji said on the same program.

Asked whether Ozawa should go before the panel, Banri Kaieda of the DPJ would only say "it is up to him."

34 U.S. deaths since 2000 blamed on Toyota sudden accelerations

WASHINGTON (AP) Complaints of deaths allegedly connected to sudden acceleration in Toyota vehicles have surged in recent weeks, with the toll reaching 34 since 2000, according to new consumer data gathered by the U.S. government.

Complaints to a database maintained by the National Highway Traffic Safety Administration about the popular Toyota Prius hybrid grew by nearly 1,000 in just over a week.

On Monday, Transportation Department spokeswoman Olivia Alair said the NHTSA is quickly gathering information to help guide the government's examination of sudden acceleration incidents, the Prius braking system and other safety issues.

Toyota Motor Corp. has recalled 8.5 million vehicles globally during the past four months because of problems with gas pedals, floor mats and brakes, threatening the safety and quality reputation of the world's No. 1 automaker. The government typically receives a surge in complaints following a recall. None has yet been verified.

The new complaints reflect the heightened awareness of the massive recalls among the public and underscore a flurry of lawsuits on behalf of drivers alleging deaths and injuries in Toyota crashes. Three congressional hearings are planned on the Toyota recalls.

In the past three weeks, consumers have told the government about nine crashes involving 13 deaths between 2005 and 2010 allegedly due to accelerator problems, according to a NHTSA database. The latest complaints come on top of information from consumers alleging 21 deaths from 2000 to the end of last year.

The database also shows that new complaints skyrocketed over the 2010 Prius gas-electric hybrid, which was recalled last week to replace braking software.

When the NHTSA opened its investigation of the Prius on Feb. 3, the government had received 124 consumer complaints. Through Feb. 11, the government had a total of 1,120 complaints alleging 34 crashes, six injuries and no deaths.

The government has renewed an investigation into potential electromagnetic problems in vehicles built by Toyota and other manufacturers. Consumer groups have pointed to potential electrical problems, while the carmaker has said recalls to fix sticky gas pedals or accelerators that can become jammed will address the problem.

Toyota spokeswoman Martha Voss said the company takes "all customer reports seriously and will, of course, look into new claims." Toyota was taking steps to improve quality control and investigate customer complaints more aggressively, Voss said.

Testing by Toyota, the NHTSA and Exponent, an outside consulting firm hired by Toyota, has found no evidence of problems with Toyota's electronics, said Toyota Vice President Bob Carter at the National Automobile Dealers Association convention in Orlando, Fla.

Hatoyama backs use of separate surnames by married couples

Prime Minister Yukio Hatoyama said Tuesday he supports the idea of allowing married people to retain their original family names at a time when one Cabinet minister has expressed strong opposition, threatening passage of a related bill that will likely be submitted to the Diet soon.

"I have been basically in favor of the idea of letting married couples use different surnames," Hatoyama said.

Justice Minister Keiko Chiba has said she is ready to submit a bill to revise the Civil Code to enable married couples to keep their own surnames or share the same name.

But Shizuka Kamei, the outspoken minister in charge of banking and postal services and head of Kokumin Shinto (People's New Party), has repeatedly expressed his opposition.

"I don't think it's good (for married couples) to use different surnames when family bonds are weakening," he said in a recent speech.

Kamei's party is one of the two ruling coalition partners of the Democratic Party of Japan led by Hatoyama.

"Without approval from the three ruling parties, the bill cannot be submitted to the Cabinet," Kamei said in the Diet on Monday. "That is (Kokumin Shinto's) stance in forming a coalition government.

Hatoyama said that because the issue concerns each person's perspective on the family, "it may not be easy to work on (the bill)."

Trial wraps up on suit seeking secret-agreement documents

The Tokyo District Court held its final session Tuesday on a lawsuit in which 25 plaintiffs are demanding that the government disclose three documents they say indicate the existence of a secret Japan-U.S. agreement over cost burdens for the 1972 reversion of Okinawa.

The court is expected to hand down its ruling April 9.

While the government said it does not have the papers, which have already been declassified in the United States, or it may have disposed of them if it ever had them in the first place, the plaintiffs argued the government should have the burden of proof to clarify why it doesn't possess the diplomatic papers.

The plaintiffs, who include scholars and journalists, also said that disposing of the papers would go against document control procedures.

The Foreign Ministry, under orders from the Hatoyama administration, has been investigating the existence of the secret agreements, including pacts on stopovers by nuclear-armed U.S. ships and planes.

A former senior diplomat appeared before the judges in December to testify that the two countries concluded the secret pact on the financial burden over the Okinawa reversion.

"I had no other choice in those days but to say there was no such agreement. But I've gradually come to think I can't keep a secret over the pact since the disclosure in the United States," the former diplomat, 91-year-old Bunroku Yoshino, said.

The papers released in the U.S. include one indicating that Japan secretly shouldered \$4 million in costs that Washington was supposed to pay to restore farmland in Okinawa.

He also admitted that the initials on the papers declassified by the U.S. government are his.

The government said his testimony was based mainly on assumption.

The suit was filed last March.

Fukushima willing to OK plutothermal

FUKUSHIMA (Kyodo) Fukushima Gov. Yuhei Sato said Tuesday he is willing to accept a plutothermal power-generation project by Tokyo Electric Power Co. at a plant in his prefecture if certain conditions are met.

Sato said the global trend is toward nuclear power and safety measures have improved.

But for the plan to go ahead, Sato said the No. 3 reactor at the Fukushima No. 1 nuclear power plant should be protected against both earthquakes and aging, while adding that the safety of plutonium-uranium mixed oxide fuel, which has been stored at the plant since 1999, should be confirmed.

Tepco is expected to start loading MOX fuel as early as June when it conducts a regular inspection at the plant and could begin pluthermal power generation in September.

Hatoyama spars with opposition

Prime Minister Yukio Hatoyama, during his first one-on-one debate against opposition party leaders, was forced Wednesday to fend off criticism over the money scandals dogging his administration.

Liberal Democratic Party President Sadakazu Tanigaki grilled Hatoyama over his receipt of huge sums from his mother, the heiress to the Bridgestone tire empire, and allegations that Democratic Party of Japan kingpin Ichiro Ozawa's fund body violated the Political Funds Control Law.

"You've been dubbed the king of tax evasion in the Heisei Era — and that's making the public feel foolish about paying their own taxes," Tanigaki charged. "It's tragicomic that you're the one ultimately responsible for collecting taxes."

Tanigaki urged Hatoyama to take the initiative in questioning his mother over the circumstances involving the shady donations.

Hatoyama, who reportedly had several late nights preparing for the faceoff, said he did not intend to question his mother and claimed believes he has fulfilled his responsibility by paying gift taxes and apologizing to the public.

"I understand that many in the public are not fully satisfied with my explanation, but I repeat that I've been telling the truth" regarding the scandal, Hatoyama said amid jeering from the opposition camp.

Tanigaki also requested that the Diet call Ozawa, as well as a former Hatoyama secretary, for questioning over their involvement in the various money scandals.

Hatoyama responded that such moves will have to be decided in Diet deliberations.

The scandals over shady funds involving the prime minister and Ozawa have taken a heavy toll on the Cabinet's approval ratings, with a survey by Jiji Press earlier this month showing that 44.7 percent of the respondents disapprove of the administration, an increase of 11.4 percentage points from the previous survey and exceeding the approval rate, 35.7 percent, for the first time.

Questioned by Tanigaki over his stance on a consumption tax hike, Hatoyama said he does not intend to raise the levy in the next four years, which is the latest the next Lower House poll must be held.

After Tanigaki, New Komeito leader Natsuo Yamaguchi asked the government set up a consultation body involving both ruling and opposition parties on revising the Political Funds Control Law.

Hatoyama responded positively to the idea, saying the DPJ "agrees to setting up such a body."

The ruling coalition, which has been focusing on deliberating the fiscal 2010 budget, has been suffering internal disarray on several fronts, including the contentious issue of relocating U.S. Marine Corps Air Station Futenma from Ginowan, Okinawa.

Reiterating his previous stance, Hatoyama said during the debate he will "definitely solve the Futenma issue by May, which will in turn strengthen Japan-U.S. ties."

Top marine says Okinawa bases are vital

The U.S. bases in Okinawa are strategically necessary and marines are prepared to die to protect Japan, the commander of the U.S. Marine Corps of the Pacific said Wednesday in Tokyo.

During a speech hosted by the Tokyo American Center in Minato Ward, Lt. Gen. Keith Stalder said the U.S. understands that the alliance is not symmetrical, as Japan bears no responsibility to protect the United States, but it does shoulder the obligation of providing bases to U.S. forces.

"I want to make this clear — all of the marines standing in this room, all of my marines on Okinawa are willing to die if necessary for the security of Japan," Stalder said. "That is our role in the alliance. Japan does not have a reciprocal obligation to defend the United States, but it absolutely must provide the bases and training that U.S. forces need."

Marking the 50th anniversary of the Japan-U.S. security treaty, top Japanese and U.S. officials have been engaged in a series of discussions to deepen bilateral ties.

But at the same time, the Hatoyama administration's decision to review the relocation of U.S. Marine Corps Air Station Futenma from Ginowan, Okinawa, has strained relations.

"Foreign governments are watching to see whether the United States-Japan alliance is strong enough to find a solution to the current issues again and ensure that the awesome deterring power of the U.S. Marine Corps remains based on Okinawa for decades to come," Stalder said.

"Potential enemies of Japan and the U.S. are watching . . . because if (the alliance) can be weakened today, perhaps it can be weakened further tomorrow."

Japan agreed with the U.S. in 2006 to move the Futenma aircraft operations, mainly chopper, to Camp Schwab in farther north on Okinawa Island, in the Henoko district of Nago.

Stalder declined comment on alternative plans that have been floated, including moving Futenma's operations to Guam, but he stressed the importance of the bases in Okinawa and said marine helicopters must remain close to the ground forces.

"In order to fulfill our alliance responsibilities to defend Japan, the Marine Corps, the expeditionary, rapidly deployable branch of the U.S. military and the only forward-deployed and available U.S. ground force between Hawaii and India, must be based on Okinawa and must have its helicopters near its ground forces," he said.

Stalder also pointed out that the presence of U.S. forces in Okinawa is about more than deterrence because it also involves disaster relief missions.

He estimated hundreds of thousands of lives were saved in the last 50 years because of the U.S. bases in Okinawa.

"Okinawa is in the center of an earthquake-cyclone region. There is probably nowhere better in the world than which to dispatch marines to natural disasters," he said. "Hours matter during such tragedies. Time saved means lives spared in the aftermath of these terrible events."

Kokumin Shinto ideas

Coalition member Kokumin Shinto formally approved two plans Wednesday on the relocation of the Futenma base, one of which would move its operations to a site somewhat inland from the currently planned coastal area.

The other plan would merge Futenma's operations with nearby Kadena Air Base.

Futenma unwelcome: Nago mayor

Nago Mayor Susumu Inamine met Wednesday with the foreign and defense ministers in Tokyo for the first time since his election last month and reiterated his position that his Okinawa city would not accept a relocated U.S. Marine Corps Air Station Futenma.

"I ran in the election promising that I will not let (the government) build new bases either on land or on sea," Inamine told reporters in the evening after meeting with Defense Minister Toshimi

Kitazawa. "I have made these promises and I asked (Kitazawa) not to do anything to make the citizens feel anxious or to impose a burden on them."

Inamine, who won the Nago mayoral poll in January, met with both Kitazawa and Foreign Minister Katsuya Okada, and was expected to meet Prime Minister Yukio Hatoyama on Thursday to express his constituents' rejection of the relocation of Futenma from Okinawa's Ginowan to Camp Schwab in Nago's Henoko district.

The Social Democratic Party, a minor partner in Hatoyama's Democratic Party of Japan-led ruling coalition, has threatened to quit the ruling bloc if the base is relocated inside Okinawa.

Meanwhile, Kokumin Shinto (People's New Party), another junior coalition partner, has reportedly drawn up two proposals to relocate Futenma within Okinawa, including moving its flight operations more inland than the envisaged coastal area of Nago. Inamine, however, rejected the plans.

The government task force headed by Chief Cabinet Secretary Hirofumi Hirano was expected to have the SDP and Kokumin Shinto submit their ideas for a new relocation site Wednesday. But this was postponed to allow the parties more time to coordinate.

(Yahoo News) US open to options in Japan base row: diplomat

TOKYO (AFP) - – The United States is ready to face "a variety of different possibilities" in talks with Japan on where to relocate a contentious US military base, its top diplomat for Asia was quoted as saying Thursday.

The base issue has soured ties between Washington and Tokyo since Prime Minister Yukio Hatoyama's centre-left government took power in September, promising a less subservient stance toward the United States.

The row centres on the US Marine Corps Futenma Air Station on southern Okinawa island which many locals want closed, citing aircraft noise, pollution, the risk of accidents and past crimes committed by American troops.

Japan's new government has launched a review of a 2006 agreement to move the base from a crowded urban area to a quieter coastal part of the island, saying it may have to be moved off Okinawa instead or even outside Japan.

The top US diplomat, in an interview with a Japanese newspaper, said Washington still wants Tokyo to honour the original plan to move the base to Okinawa's coastal Henoko, but signalled it is open to negotiations.

"Again, our preference is for the current plan to go forward, but we are prepared to face a variety of different possibilities going forward," said Kurt Campbell, US assistant secretary of state for East Asian and Pacific Affairs.

"I am not going to get into the specifics, but we also have studied many different potential solutions very closely, not over a period of months, but years," he was quoted as saying by the Sankei Shimbun daily.

"So we will be able to provide Japanese counterparts with some of the challenges and weaknesses of other approaches," he added, according to the original English comments provided to AFP by the newspaper.

The relocation agreed by previous conservative governments on both sides in 2006 is part of a wider plan to realign the 47,000-strong US troop presence in Japan, where American forces have been based since the end of World War II.

Hatoyama, whose ruling coalition includes the strongly pacifist Social Democrats, has said he will decide by May whether to stick with the pact or move the base to another site, either on or off the island.

Japan's ruling party to probe JAL's collapse

TOKYO (AFP) - Japan's ruling party is to launch an investigation into the collapse of Japan Airlines, including a possible cover-up at Asia's biggest carrier, a party official said Thursday.

JAL went bankrupt a month ago with 26 billion dollars of debt in one of the country's biggest ever corporate failures, but continued operating and began a painful overhaul involving more than 15,000 job cuts and a public bailout.

Prime Minister Yukio Hatoyama's Democrats will set up a taskforce next week to study whether the carrier exploited cozy ties with the transport ministry or the former conservative government, party member Tsutomu Okubo's office said.

The probe will also examine whether JAL cooked its books to hide the full extent of its financial difficulties, said a parliamentary aide to Okubo, asking not to be named.

The politicians' team will also set up hotlines for potential whistle-blowers, including current and former JAL employees, according to the office of Okubo, who is set to join the taskforce.

"This is purely a political movement to clarify what caused the bankruptcy," the aide said, noting that public funds totalling almost 10 billion dollars had been allocated to rehabilitate the ailing carrier.

The government announced a 3.3-billion-dollar injection of public funds and fresh emergency loans of 6.6 billion dollars for Asia's biggest airline.

Now undergoing state-supervised restructuring, JAL plans to slash unprofitable routes and axe about a third of its workforce in a bid to return to profitability.

The Democrats, whose landslide victory in elections last August ended more than a half century of almost unbroken conservative rule, have pledged to shift the focus of government away from big business to consumers.

The new government was initially reluctant to bail out JAL but finally decided it was too big to fail, while warning that it would not write it a blank cheque.

Japan Airlines shares will be delisted from the Tokyo Stock Exchange on Friday, a move set to result in shareholders losing their investment.

Nago mayor presses Hatoyama to put Futenma somewhere else

Susumu Inamine, the newly elected mayor of Nago, Okinawa Prefecture, asked Prime Minister Yukio Hatoyama on Thursday to give up on a plan to move the U.S. Futenma airfield to his city.

"I told him that I won the election on the promises I had made on the Futenma relocation, and asked him to understand that well as the popular will," Inamine said after he met with Hatoyama in the prime minister's office.

Inamine said he also expressed his opposition to a new plan pushed by Kokumin Shinto (People's New Party), one of the junior coalition partners in Hatoyama's government, to build the replacement airfield for Futenma at Camp Schwab in Nago but without resorting to sea reclamation.

"I have received the results of the mayoral election as the popular will," Hatoyama was quoted as telling the Nago mayor, while not directly referring to the Futenma issue.

Hatoyama said a government committee is now discussing ways to reduce the burden on the people of Okinawa from hosting the bulk of U.S. military facilities in Japan, according to Inamine.

Inamine also met with Chief Cabinet Secretary Hirofumi Hirano, who chairs the panel, and made a similar request.

Inamine won the mayoral race in January by pledging not to accept the Futenma facility, which is now in Ginowan, Okinawa. Nago was chosen as the relocation site in an agreement reached by Japan and the United States in 2006.

Opinions are divided on where to relocate the base even within the ruling coalition, with Kokumin Shinto proposing to consolidate Futenma with nearby U.S. Kadena Air Base or to transfer it to Camp Schwab.

The third coalition member, the Social Democratic Party, has sought to find a relocation site outside Okinawa or outside Japan, such as the U.S. territory of Guam.

Hatoyama suggests both he and Ozawa come clean on scandals

Prime Minister Yukio Hatoyama said Thursday he urged Democratic Party of Japan Secretary General Ichiro Ozawa in a telephone chat to explain in greater detail the funds scandal he is embroiled in, and offered to do likewise.

"We agreed that if people are not satisfied with our explanations, both of us should make greater efforts to explain as much as possible," Hatoyama, who has also been embroiled in scandal, told reporters at his office.

But Hatoyama, the DPJ president, said he did not specifically tell Ozawa to explain things in the Diet, despite mounting calls from opposition lawmakers for him to give testimony about the scandal involving funding irregularities.

"We did not specifically decide on an occasion," he said.

Whether to come to a Diet panel or hold a press conference is "a matter that Secretary General Ozawa should decide on," Hatoyama said.

He made the remarks after he said in Diet debate with opposition party leaders Wednesday, "It is very likely that I will recommend" that Ozawa give an explanation to the Diet.

Prosecutors have indicted two former secretaries and one current aide to Ozawa over the accounting irregularities allegedly connected with a shady land deal in Tokyo by Ozawa's funds management body, but did not build a case against Ozawa.

'Secret' pact?: U.S. had most use of Fuji drill site

U.S. forces stationed in Japan have priority to use a training ground near Mount Fuji in Shizuoka Prefecture for 270 days a year, a Japanese researcher who obtained the minutes of a 1970 U.S. hearing to that effect said Thursday.

The East Fuji Maneuver Area has been jointly used by U.S. forces and the Ground Self Defense Force. But the minutes of the January 1970 hearing on Japan and Okinawa by the U.S. Senate Committee on Foreign Relations' subcommittee showed the U.S. military has priority use, a fact Japan has denied until now.

The Defense Ministry declined comment on the U.S. documents except to deny that Japan has given priority to use the area for 270 days a year to the U.S. side, saying the number of days of U.S. military use stood at somewhere between 160 and 180, and dropped to around 100 in fiscal 2008 and 2009.

Past governments have denied the existence the agreement between Washington and Tokyo, but the latest findings apparently confirm it exists.

"It's possible there are many more (bilateral) agreements on how to use (training) areas that are controlled by the Defense Ministry and used by the U.S. military," said Shoji Niihara, a Japanese historian specializing in Japan-U.S. relations, who obtained the records.

The minutes "backed up the fact that both the Japanese and U.S. governments have coordinated behind closed doors so that U.S. forces can use bases and facilities in Japan freely for its convenience," Niihara reckoned.

The Japan-U.S. Status of Forces Agreement allows U.S. forces to temporarily use areas and facilities that were returned to Japan from the United States.

The East Fuji Maneuver Area is on the list.

Economic Front;

Detailed News:

New recall issued for 10,000 Tacoma pickups

CHICAGO (Kyodo) Toyota Motor Corp. said Friday it will recall about 10,000 Tacoma pickup trucks in North America amid criticism of its massive global recalls implemented from last fall totaling around 8 million vehicles in connection with accelerator pedal and brake system problems. Toyota Motor Sales U.S.A. Inc. said it filed a recall with the U.S. National Highway Traffic Safety Administration for approximately 8,000 units of certain 2010 model year Tacoma 4WD trucks in the United States. Another 1,500 units of the trucks have been sold in Canada, while the model has also been released in Mexico.

While the scope of the latest recall is relatively small, the development is likely to add to concerns that the series of recalls that have tarnished Toyota's reputation for quality may also hurt the carmaker's business performance.

In its latest announcement, Toyota said the front drive shaft of the trucks made between mid-December and early February "may include a component that contains cracks that developed during the manufacturing process."

"As those vehicles are used, the cracks may eventually lead to the separation of the drive shaft at the joint portion," it said.

Although there have been no reports of accidents, injuries or complaints involving this problem, Toyota apparently decided to conduct a voluntary safety recall to inspect the possibly problematic front drive shaft to show its commitment to safety amid the growing recalls.

Calls for Toyota's president, Akio Toyoda, to testify before U.S. congressional committees on the recent recalls have been mounting, and Toyota officials said Friday that Toyoda would agree to do so if formally asked.

Toyota, the world's largest automaker, has come under intense scrutiny both at home and abroad since it was discovered that the automaker has been making adjustments to the latest model of its Prius hybrid on a customer-by-customer basis following dozens of complaints it had received over brake problems.

Earlier in the week, the world's largest automaker announced a recall of about 437,000 vehicles globally to fix the brake problems in its new Prius and three other hybrid models.

Shinsei, Aozora see merger talks snag

Shinsei Bank and Aozora Bank, which agreed last summer to merge in October, are facing difficulties in their negotiations, sources said Saturday.

The talks have hit a snag in working out a business strategy, including system integration and choice of core operation, and there is a possibility they could call off the negotiations if they cannot iron out their differences, the sources said.

The two banks, which suffered huge losses amid the global financial crisis, reached the basic accord last July with the aim of restoring their financial health and turning around their business through the merger.

According to the sources, the two sides have clashed over what kind of system to use for their operation, with Shinsei calling for an Indian system that would cut costs but is rare in the domestic banking industry, and Aozora expressing concern over the response in case of trouble with the system.

Differences also remain in terms of what to designate as the core business of the merged bank. Shinsei wants to place importance on services for individual customers such as consumer lending and housing loans, while Aozora is seeking to join forces with regional banks to expand loans to midsize and smaller firms, the sources said.

The two banks still owe a combined ¥400 billion in public funds from past bailouts.

Shinsei was created from the bankrupt Long-Term Credit Bank of Japan, which failed in 1998 during Japan's banking crisis and was nationalized. Aozora's predecessor, Nippon Credit Bank, also went bankrupt in 1998.

The two lenders were bailed out by the government and then brought largely under private ownership in 2000.

In Shinsei's case, a consortium led by Softbank Corp. acquired the bank and took it public again in November 2006.

Shinsei and Aozora had agreed to merge with the hope of getting further injections of public funds as they headed toward recovery.

However, their negotiations have stalled partly because it seems unlikely that the Democratic Party of Japan-led government would provide such funding, the sources said.

JAL, American apply for antitrust immunity for trans-Pacific flights

Japan Airlines Corp. said Saturday it and American Airlines Inc. have applied to the U.S. Department of Transportation for antitrust immunity to better coordinate pricing and flight routes between Japan and the United States.

The application, aimed at expanding the JAL-American partnership, comes after the struggling Japanese flagship carrier decided to stay with the oneworld airline grouping led by American Airlines, ending its alliance talks with Delta Air Lines Inc.

JAL, which filed for bankruptcy protection last month, is set to file a similar application with Japanese authorities along with American Airlines under the open skies agreement recently inked between the Japanese and U.S. governments.

Rival All Nippon Airways Co. has already applied for antitrust immunity with U.S. authorities along with United Airlines Inc. and Continental Airlines Inc.

ANA and the two U.S. carriers belong to Star Alliance, and will apply with the Land, Infrastructure, Transport and Tourism Ministry as well.

The bilateral agreement allows Japanese and U.S. airlines to go beyond conventional code-sharing operations and coordinate pricing and flight routes between the two countries.

Japanese and U.S. authorities are expected to approve the applications, sources said.

Once they receive the green light for their applications, JAL and American, the No. 2 U.S. carrier, plan to reorganize the schedule and frequency of their trans-Pacific flights to make them more effective, coordinate pricing and cooperate in flight ticket sales activities.

"The two companies will proceed with streamlining and cost reduction so as to enhance our competitiveness," a JAL official said.

Toyota-hired ex-NHTSA staff helped end probes

WASHINGTON (Bloomberg) Former regulators hired by Toyota Motor Corp. helped end at least four federal investigations of unintended acceleration by company vehicles in the last decade, warding off possible recalls, court and government records show.

Christopher Tinto, vice president of regulatory affairs in Toyota's Washington office, and Christopher Santucci, who works for Tinto, helped persuade the National Highway Traffic Safety Administration to end probes, including those of 2002-2003 Toyota Camrys and Solaras, court documents show.

Both men joined Toyota directly from NHTSA, Tinto in 1994 and Santucci in 2003.

While all automakers have employees who handle NHTSA issues, Toyota may be alone among the major companies in employing former agency employees to do so. Spokesmen for General Motors, Ford Chrysler Group and Honda Motor Co. all say their companies have no former NHTSA people who deal with the agency on defects.

Possible links between Toyota and NHTSA may fuel mounting criticism of their handling of defects in Toyota and Lexus models tied to 19 deaths between 2004 and 2009. Three congressional committees have scheduled hearings on the recalls.

"Toyota bamboozled NHTSA or NHTSA was bamboozled by itself," said Joan Claybrook, an auto safety advocate and former NHTSA administrator in the Jimmy Carter administration. "I think there is going to be a lot of heat on NHTSA over this."

In one example of the Toyota aides' role, Santucci testified in a Michigan lawsuit that the company and NHTSA discussed limiting an examination of unintended acceleration complaints to incidents lasting less than a second.

"We discussed the scope" of the investigation, Santucci testified. "NHTSA's concerns about the scope ultimately led to a decision by the agency to reduce that scope. You say it worked out well for Toyota, I think it worked out well for both the agency and Toyota."

In an e-mailed response to questions about possible influence of former NHTSA employees on the agency's Toyota decisions, Transportation Department spokeswoman Olivia Alair said NHTSA "currently has three open investigations involving Toyota and is monitoring two major safety recalls involving Toyota vehicles. NHTSA's record reflects that safety is its singular priority."

All four of the probes the Toyota aides helped end were into complaints that the unintended acceleration was caused by flaws in the vehicles' electronic throttle systems. Toyota has denied that the system is a problem. Transportation Secretary Ray LaHood said Feb. 3 that NHTSA is reviewing the electronics.

Toyota spokeswoman Martha Voss declined to make Santucci and Tinto available for comment. "Anything Mr. Tinto and Mr. Santucci did was in the interest of full disclosure, transparency and openness with regulators and safety experts," Voss said in an e-mailed statement. "Their actions have been consistent with our efforts to maintain the highest professional and ethical standards in all of our legal and regulatory practices. Their paramount concern was for the safety of every single owner of one of our vehicles."

NHTSA decisions on Toyota weren't necessarily biased just because ex-agency people were involved, said Sidney Shapiro, a law professor at Wake Forest University.

"I'm not sure regulators set out to say 'I'm going to give a special deal to my old friends in the auto industry,' " he said. "But what happens is it just sort of deteriorates because these are the only people you talk to."

There are no waiting-period requirements for moves to a company from its regulator for lower-level positions like those of Tinto and Santucci, said Allan Kam, former NHTSA senior enforcement attorney, who retired in 2000 after 25 years and said he was a "mentor" to Tinto at the agency. Santucci came to NHTSA after Kam's retirement.

"They're not supposed to deal with the agency about a matter they dealt with at the agency," he said. Neither former NHTSA employee testified to any such conflicts when asked by attorneys.

Tinto, 46, came to Toyota after about four years at NHTSA. He hired Santucci from NHTSA in 2003, after the two met on opposite sides of the table in defect investigation cases, Santucci said in a deposition in the Michigan suit.

Santucci, 39, works on most of the automaker's recall petitions, he said in the deposition. In last year's floor-mat recall, Santucci said he helped write Toyota's explanation of the remedy and had phone calls and meetings with NHTSA to describe the firm's plans.

Kan gears up for debate on tax reform

Talks on fiscal woes eyed in March

Finance Minister Naoto Kan said Sunday the Tax Commission is preparing to start discussions on drastic tax reform as early as next month with the eventual goal of raising the consumption tax.

Kan said he was willing to start "a full-fledged debate on taxes, including income, corporate and sales" taxes, in March, when the fiscal 2010 budget bill is expected to have cleared the Diet.

He said Prime Minister Yukio Hatoyama approves of the idea.

Kan, who previously put spending cuts at the top of his agenda, is apparently determined to move up the debate on boosting tax revenues in the face of rising government expenditures, particularly for social security.

Hatoyama has promised not to raise the consumption tax for four years even though the national debt is approaching twice the size of the gross domestic product.

Kan said he will start to address the timing of potential tax hikes from this point on.

He said the three-member ruling coalition has agreed not to raise the consumption tax for four years — the current term of Lower House members — and that public opinion will be solicited if the administration takes steps to drastically alter the tax system.

Standard & Poor's last month cut the outlook for Japan's AA sovereign credit rating, citing the government's failure to come up with a plan to contain the deficit.

With an Upper House election scheduled for July, the Democratic Party of Japan-led government may have difficulty introducing policies that could weigh down the economy.

Kan also said the government will "make efforts" to meet the DPJ's election pledge to double child-care allowances in the fiscal year starting April 2011. Monthly handouts of ¥13,000 have already been budgeted for the year starting this April.

Meanwhile, Sadakazu Tanigaki, leader of the opposition Liberal Democratic Party, painted Kan's tax debate move as a prelude to breaking the DPJ's pledge to leave the consumption tax alone for the next four years.

"It is tantamount to admitting that they are no longer able to maintain their pledge," Tanigaki said during a speech in Kanagawa Prefecture. "They should take responsibility for their own assertions."

Vice Finance Ministers Naoki Minezaki and Yoshihiko Noda have said since last month that it may be difficult to increase the benefits because of the lack of tax revenue.

The Finance Ministry forecasts public debt will swell to ¥973 trillion by March 2011, exacerbating a debt load that is already the world's largest.

Hatoyama says no hike in consumption tax now

Vow to wait four years stands despite Kan wanting talks now

Prime Minister Yukio Hatoyama pledged again Monday that he will not raise the 5 percent consumption tax during his four-year term through summer 2013, even though Finance Minister Naoto Kan is saying he wants to launch debate on a possible increase.

"I will not raise the consumption tax as I said during campaigning for the Lower House election" last August, Hatoyama said. "I believe that Minister Kan understands that this (promise) must be kept.

"I have said that we have to be cautious about the consumption tax . . . as it could contribute to slowing down our efforts to eliminate wasteful spending."

Hatoyama added, however, that he recognizes the need for debate on tax reform during the course of discussions on social security, including the national pension and insurance systems.

In the Diet earlier in the day, Kan said he plans to embark on serious discussions toward sweeping tax reforms, including a possible increase in the consumption tax, as early as next month once the fiscal 2010 budget clears the Diet. He also indicated that the government should wait until the next general election before hiking the tax.

"We would need to seek a public mandate before carrying out drastic tax reforms," Kan, who is also deputy prime minister and minister in charge of economic and fiscal policy, told a session of the Lower House Budget Committee.

On Sunday, Kan said it is "the Hatoyama administration's basic policy" to not raise the consumption tax during Lower House members' current four-year terms.

At a news conference Monday, Chief Cabinet Secretary Hirofumi Hirano called the policy "a big pledge of the Hatoyama Cabinet," stressing that raising the consumption tax and discussing the possibility are two different things.

Kan had previously focused on securing funds through spending cuts and put off such a debate until fiscal 2011, but he has apparently decided to move more quickly because social security costs and other expenditures are expected to expand while tax revenues are projected to fall.

Hirano, the government's top spokesman, said the government should not slow down its efforts to cut back on wasteful spending even if it launches a debate on a tax hike.

Sadakazu Tanigaki, president of the Liberal Democratic Party, criticized Kan's plan.

"The basic structure of the DPJ's manifesto (for last August's election) was that they could acquire funds easily by cutting waste and promised to do this and that, such as the child-rearing allowances, without raising the consumption tax in the four years," he said.

"By saying they will start discussing the consumption tax, they are confessing that their own basic structure has already collapsed," Tanigaki charged.

Shrugging off concerns over worsening fiscal conditions, Hatoyama vowed earlier Monday that his government will offer the full child-rearing allowance of ¥26,000 per month in fiscal 2011 as pledged in the DPJ's manifesto.

Hatoyama's remarks came after he made comments Sunday that could be taken as suggesting his administration may give up on paying the full child-rearing allowance.

In a dialogue with 10 members of the public held at his office, he said, "I don't want to pass on debts to future (generations) and would rather create a system in which we can provide (the allowances) only with funds we obtain by cutting waste."

On Monday, he said: "We don't want to use the funds we collect by issuing new government bonds for child-rearing allowances. We will stick to our plan of using funds secured through cuts in expenditures."

The DPJ-led tripartite coalition government plans to provide half of the amount — ¥13,000 — to each child of junior high school age or younger in fiscal 2010, which starts April 1, and commence offering the full amount in fiscal 2011.

Last quarter saw 4.6% rate of growth

Fears of double-dip recession have faded a bit: Kan

The economy grew an annualized real 4.6 percent in the October-December quarter for the third consecutive quarter of expansion as corporate capital investment revived amid a recovery in exports while consumer spending continued to perk up on stimulus measures, the government said Monday.

The Cabinet Office also said nominal GDP stood at \$5.08 trillion in 2009, narrowly surpassing that of China's \$4.91 trillion. However, the data suggest the Japanese economy will be surpassed by China's in the near future, possibly this year, it said.

The expansion marked in the three-month period corresponds to a 1.1 percent rise from the July-September quarter, the Cabinet Office said. It compares with a revised 0.01 percent gain in the previous quarter.

"Fears of the nation's economy falling into a double-digit recession have faded a little," Finance Minister Naoto Kan said.

But Kan, also the state minister for economic and fiscal policy, warned against complacency, saying employment and overseas economic conditions are still uncertain.

The October-December figures beat the average market forecasts of an annualized 3.5 percent increase and 0.9 percent quarterly growth.

The pace of the economic recovery accelerated sharply as domestic demand contributed to GDP growth for the first time in seven quarters on pickups in consumer spending and corporate investment in plant and equipment.

Despite the stronger growth in the quarter, the economy for all of 2009 logged a 5.0 percent decline from the previous year, the largest contraction since the government began compiling comparable data in 1955, due to a serious slump logged in the January-March period amid the global financial crisis, the office said.

The contraction sharply surpassed the previous record shrinkage of a 2.0 percent drop in 1998.

In October-December, consumer spending — which makes up about 60 percent of GDP — increased for the third straight quarter, up a real 0.7 percent from the July-September period, largely backed by government incentives for the purchase of energy-saving home electronic appliances and greener cars.

Corporate capital spending rose 1.0 percent for the first expansion in seven quarters. But public investment fell 1.6 percent.

"It was quite surprising" to see an increase in consumer spending, even considering the government's incentives for purchases of environmentally friendly products, Minoru Nogimori, an economist at Nomura Securities Co., said, referring to falling wages and a record drop in winter bonuses.

19,560 ask banks for debt relief in the first month under new law

Nine banks operating under the umbrella of six major banking groups received 19,560 applications for eased loan repayment terms from small and midsize companies and homeowners by the end of December under the debt moratorium law that took effect Dec. 4.

The applications involved ¥888.3 billion, and around 20 percent of them were approved, according to the banks.

The Bank of Tokyo-Mitsubishi UFJ received the most applications at 6,504, involving about ¥266.3 billion, and 1,667 of them, worth ¥93.3 billion, were approved, BTMU said.

The law allows a moratorium on debt owed by smaller businesses and homeowners to ride out the global financial crisis.

It is designed to encourage banks and other financial institutions to relax repayment terms, such as by extending deadlines, for financially strapped smaller companies and individuals with home loans.

Sumitomo Mitsui Banking Corp. said it received 6,155 applications involving around ¥245.7 billion and approved 559 applications worth ¥42.4 billion.

Mizuho Bank Ltd. received 3,849 applications involving about ¥214.8 billion and approved 880 of them worth ¥83.5 billion.

"I get the impression that banks are accepting reviews of loan terms more than anticipated," said an official at Tokyo Shoko Research Ltd., a credit research company, adding that the banks' action is leading to a decrease in corporate failures.

Toyota undecided on facing Congress

Firm says it will study electronic issues again

Toyota said Monday it has still not decided whether its president will appear before the U.S. Congress, but it promised to again look into possible electronic problems with its vehicles.

Toyota Motor Corp. has been criticized as being slow in responding to the unfolding recall crisis, which has ballooned over the past four months to 8.5 million vehicles globally with problems in gas pedals, floor mats and braking.

Calls have been growing for Toyota President Akio Toyoda to answer questions from U.S. lawmakers. Toyoda told reporters last week he planned to go to the U.S., mainly to talk to American workers and dealers.

The company said details for his trip were still being worked out, and it was unclear when a decision could come.

In Washington, Republican Rep. Darrell Issa has said Toyoda should testify before the House Oversight and Government Reform Committee on Feb. 24.

The hearing was scheduled for Feb. 10 but was postponed because of a snowstorm.

In a letter to the committee last week, Toyota attorney Theodore Hester said the company carried out "exhaustive and robust" tests and does not think there are any electronics problems with its vehicles, but it promised to look into the matter again.

"In the spirit of the recent commitment made by Mr. Toyoda that our company will review all safety issues and potential safety issues with renewed vigor, we will be re-examining these complaints," it said of the sudden acceleration complaints.

In Japan, where brand loyalty to Toyota remains relatively strong, the world's biggest automaker has been trying to send a message of remorse to assuage consumers as well.

On Monday, it rolled out a new compact model called the Passo without the usual fanfare, such as an unveiling ceremony with entertainment and a news conference by executives.

Toyota suddenly canceled the planned event last week, acknowledging celebration was inappropriate amid the recalls.

Toyota said it had not yet received a notice from U.S. federal authorities about growing fears that the recalls may next expand to the Corolla.

"We have yet to be contacted by NHTSA regarding what has been reported in the press about a power-steering issue in the Corolla," said Toyota spokesman Paul Nolasco.

The National Highway Traffic Safety Administration is looking into complaints from drivers about difficulty with the steering in 2009 and 2010 Corollas.

December output cut to 1.9% growth

Industrial output in December was downgraded to a rise of 1.9 percent from an earlier reported growth rate of 2.2 percent as chemical industry production slowed, the government said Monday.

The index of production at factories and mines advanced from the previous month for the 10th straight time to 89.7 against the base of 100 for 2005, the Ministry of Economy, Trade and Industry said.

The index of industrial shipments, meanwhile, gained a downwardly revised 1.0 percent to 90.5. The preliminary report the ministry released Jan. 29 said it rose 1.1 percent.

The index of industrial inventories dropped 0.1 percent to 93.6, suggesting progress in inventory cut by manufacturers. The earlier report said the index was unchanged.

Production at the chemical sector dropped 2.8 percent, compared with an earlier 0.7 percent slide, on the slower pace of output of such products as medicines, METI said.

The downward revision bucked the overall upward momentum.

The ministry left its key assessment unchanged, saying, "Developments for a recovery in production remain intact."

Among key industries, electronic parts and device makers expanded their production 6.4 percent, while general machinery makers saw a 6.3 percent rise. The electronic parts sector marked a 6.5 rise and device makers a 6.1 percent surge in the preliminary report.

Through 2009, industrial production slipped 22.4 percent from the previous year to 80.5 for the second consecutive year of falls, with the government announcing no change to the preliminary figures. The shipment index also remained intact, sliding 21.7 percent to 81.7.

METI revised the index for inventory, saying it lost 14.7 percent — against an earlier 14.6 percent fall — to 93.0. The revised figures indicated manufacturers embarked on inventory cuts at a faster pace than earlier thought.

Tokyo job fair draws throng

About 2,400 university students who graduate next month attended a job fair put on Tuesday by the Tokyo Metropolitan Government, hoping for luck in what could be their final opportunity in the tough career market before getting their diplomas.

Compared with a fair held by Tokyo in November, some 1,000 students showed up even before the forum started, said Masayo Maruyama, head of the metropolitan government's youth employment division.

Their desperation reflects the severe job market for college students.

According to a survey by the labor and education ministries, only 73.1 percent of university students graduating this year had received job offers as of Dec. 1 — the lowest figure since the poll was first conducted in 1996.

"I desperately need a job," said a student who only revealed her surname, Hirano, at the Shinjuku event, which was flooded with students wearing dark suits.

Hirano, a senior studying education, has applied to more than 70 companies since she started her search in October 2008.

"I applied for various jobs. The job hunting is really tough," she said, noting she is the only one out of her classmates whose future prospects remain an open question.

"But now I see so many students here, and I feel that I'm not the only one who is still looking for a job."

Also looking to strike gold were chemistry major Junpei Takagi and a friend who declined to give his name.

"I want to work in a company rather than studying," said Takagi, although he plans to stay in school if he can't find a job in time.

"I have applied at about 10 companies, and I have always failed at the final screening," he said.

"I don't want to complain about the tough job market and the bad economy, but I admit it does affect us."

Takagi's classmate said he feels more students at his university in Tokyo opted for postgraduate study because of the recession.

"One classmate who didn't get an offer as a civil servant decided to continue studying," he said.

Ako Takahashi and Yukino Kinjo, seniors majoring in sports science, meanwhile said some students, including themselves, simply lack preparation.

"I only started job hunting three months ago," said Takahashi, who turned down an offer to be a golfing instructor.

"I don't want to be a teacher either. I want to work in a company," she said, adding she is not sure what she actually wants to do.

Kinjo, who failed the teacher exam, is now looking for a job in other areas.

"I have applied at 15 companies so far, but nothing has worked out," she said. "I should have started job hunting much earlier."

Maruyama of the metropolitan government said 144 small and midsize companies joined the job fair forum.

She said about 40 percent of the students came from prefectures near Tokyo, including Chiba and Saitama, while the another 40 percent were from Tokyo.

MMC plans ¥800,000 fuel-stingy compact

Mitsubishi Motors Corp. is considering setting the price of its new fuel-efficient compact car at around ¥800,000, well under the roughly ¥1 million for the lowest-priced cars now available on the market, sources said.

The automaker is planning to build the car, which is set for release next year, at low-cost plants in Thailand and China and to supply it to carmaker PSA Peugeot Citroen, which is looking to forge capital ties with Mitsubishi Motors, for sale under the French automaker's nameplate, the sources said.

Meanwhile, Nissan Motor Co. is expected to start making low-priced compact cars in Thailand for sale globally, including Japan, starting in March or later. That could accelerate moves by others to turn out low-priced compact cars overseas and import them into Japan.

Mitsubishi Motors plans to position its new car as its mainstay product in overseas markets as well as in Japan. The car is expected to have a smaller engine displacement than Mitsubishi's Colt compact, which has a 1.0-liter engine.

The automaker plans to release the car as an all-electric model by 2012 and as a plug-in hybrid by 2013, the sources said.

The new Mitsubishi model will be about 20 percent to 30 percent cheaper than Suzuki Motor Corp.'s top-selling WagonR minicar and Honda Motor Co.'s top-selling Fit compact car.

Sony quits organic EL TV biz

Sony Corp. will stop shipping television sets employing organic light emitting diode technology in Japan at the end of March as sales of the thin-panel TVs have proven sluggish, sources said Tuesday.

Sony will also end domestic sales of organic electroluminescent TVs after inventories run out but will continue overseas sales in North America and Europe as well as research and development on expanding the size of the displays, they said.

The company in 2007 launched in Japan what it called the world's first organic EL TV, featuring an 11-inch display as thin as 3 mm and having a suggested retail price of ¥200,000.

Hopes were high that the next-generation TVs would replace liquid crystal TVs, but sales have been poor due to their high prices and the technological difficulties involved in making larger panels, the sources said.

In addition, starting in April, TVs that do not have functions to limit access to harmful sites can no longer be sold in Japan in line with a law on regulating the Internet that took effect last April to protect young people from deleterious content.

Subsequently, Sony decided it would be unprofitable to introduce organic EL TVs equipped with such functions, the sources said.

Ministers willing to mull consumption tax hike

Cabinet members said Tuesday they are ready to start a debate on raising the consumption tax as long as the administration does not deviate from its pledge to avoid any increases before the next Lower House election.

The ministers made the remarks at separate news conferences following Finance Minister Naoto Kan's comment that he wants the Tax Commission to begin discussions in March on fundamental revisions to the tax system, including raising the consumption tax.

Kan said Tuesday he is aware of the agreement reached by the three ruling parties last September not to raise the consumption tax, currently at 5 percent, until after next Lower House election.

Under the Constitution, Lower House elections must be held at least once every four years.

But Kan said the accord "does not amount to sealing off a discussion" on whether the tax rate should be changed.

Seiji Maehara, minister of land, infrastructure, transport and tourism, said holding a debate on a tax rate hike "would not at all contradict what we have said, because the coalition will not raise it during these four years, even though we may discuss it."

Masayuki Naoshima, minister of economy, trade and industry, agreed that discussions do not present a problem.

He added that a debate on the consumption tax could also be held under the heading of how the nation's social security system should be financed and maintained.

Financial Services Minister Shizuka Kamei said discussions will cover the entire taxation system, not just the consumption tax.

TV rivals boldly bet on 3-D

Technological shift swift, but will content and consumers keep up?

Television viewers will be carried into a new dimension this year when they shed their old sets and go 3-D.

Momentum for 3-D TVs has been heating up, helped by trendy box-office hits like "Avatar" as well as displays by many major electronics makers of 3-D TV technology at last month's Consumer Electronics Show, the world's biggest electronics trade show.

Facing tough global competition, particularly with South Korean rivals, Japanese TV manufacturers are jockeying for the lead in advanced 3-D technology.

Although it is still unclear if 3-D functions will be totally embraced by consumers, Japanese makers are working with content providers to spearhead the movement.

Panasonic Corp., the world leader in the plasma TV market, announced Feb. 9 that its 3-D TVs and 3-D-enabled Blu-ray recorders will debut in Japan on April 23.

"Today, Panasonic will again offer a new dimension in TV life," Shiro Nishiguchi, director in charge of Panasonic audio-video products in Japan, told a news conference last week.

Panasonic will offer the Viera VT2 3-D plasma TVs with 50- and 54-inch screens. Prices are expected to be range between ¥430,000 and ¥530,000. Panasonic said it is expecting to hold a technical advantage with its signature plasma display panel.

The technology for 3-D entails high-speed alternating projection of images for the right and left eyes that viewers capture by wearing specially colored glasses that work in concert with the opening and closing images.

A plasma display panel produces luminescence on its own, whereas liquid crystal display panels draw their luminescence from backlighting.

The self-illuminating plasma display can respond quickly to moving images, so it can reduce duplicated lines created when the 3-D TV is producing images for the left and right eyes alternately.

Because of concerns that the special glasses may pose adverse health effects, including eye fatigue and dizziness, Panasonic said it has been carrying out research and will include usage guidelines with its products, including what it deems are the appropriate safe distance and position for viewers wearing the glasses.

The guideline will be following a safety guideline, which complies International Organization for Standardization, created by 3D Consortium, an organization consists of various companies related to 3D business. Sony Corp., which in 2008 held the No. 2 global market share for flat-screen TVs, is also readying 3-D sets.

The company began displaying 3-D technology at the Sony Building in Ginza, Tokyo, on Jan. 21, giving the public a chance to experience it by watching TV and playing video games.

(The Straits Times) Isuzu to recall 4,000 trucks

TOKYO - JAPAN'S Isuzu Motors is to recall over 4,000 trucks due to a natural-gas fuel leak that could result in fires in the cab, the transport ministry said on Thursday.

The company would from Friday recall 4,286 natural-gas powered trucks in Japan, in the latest setback for the country's vehicle manufacturing industry, hit by a series of safety issues and recalls.

The ministry said the Isuzu trucks may suffer from a fault that could result in natural gas leaking into the interior of the vehicle and causing a fire.

The company has received 14 complaints in Japan, including a case in which a man suffered minor burns after lighting a cigarette in the passenger's seat.

The recall covers four models, including those marketed under the major Japanese auto brands of Nissan Motor, Mazda Motor and Nissan Diesel, now renamed UD Trucks.

The recall by Isuzu, which is part owned by Toyota Motor Corp, came as the world's largest automaker struggles to salvage its brand image amid a worldwide recall fiasco. -- AFP

Extra glasses will be ¥10,000 each

While manufacturers are actively promoting a new 3-D TV lifestyle, consumers will be required — at least a few years — to use special glasses expected to cost about ¥10,000.

In fact, 3-D TV's success will depend on how well consumers warm to the glasses, observers say. "I think one main hurdle is wearing the glasses," Masayuki Ito, senior manager of TV and network division at Toshiba Corp., told The Japan Times earlier this month.

The glasses won't be cheap, like those made out of cardboard with blue and red transparent sheets that have been handed out in theaters. The pricier home-use variety look like fashion sunglasses and are packed with technology.

To get the 3-D effect, the glasses must be worn so the right and left eyes can get the alternating high-speed images. Going without the glasses will result in blurred images.

Panasonic Corp., which will start selling 3-D TVs in Japan on April 23, will also be the first to offer the special glasses.

One pair will be included per TV, and extras will have to be purchased separately. While the price will be up to retailers, Panasonic is expecting them to run about ¥10,000.

It is not clear if consumers will want to have to wear the bulky eyewear.

Ito of Toshiba said, "3-D movies are getting popular, and people don't feel uneasy about wearing the glasses at theaters because they go there knowing that they will be wearing them."

But whether they want to don the frames while relaxing at home is another question. This will pose a challenge to glasses manufacturers.

People in the industry say it may take several years before people will be able to view 3-D TV without special eyewear.

"It is probably the first time we display something whose market debut has yet to be decided," Sony spokesman Shinji Obana said.

"One thing we can say for sure is that seeing is believing. We would like people to see the quality of 3-D TV."

Cutting-edge technology allows 3-D images to appear in high-definition quality. The images are clear and the sense of depth is strong, giving viewers the feeling they are in the middle of the action.

Consumers can also view standard programs on 3-D TVs.

Sony's 3-D TVs are scheduled to be available in the U.S. this summer, while their Japan debut is undecided but expected sometime this year.

Obana said Sony will tap the synergy effect of its group companies. For instance, the company plans to provide 3-D-enabled upgrades for the PlayStation 3 through its online network as well as in collaboration with Sony Pictures.

Although the momentum for 3-D TV is growing, it is still uncertain how widely consumers will warm to the technology, especially at initial prices.

A crucial element will be content.

Akira Kadota, manager of overseas media relations at Panasonic, said when the TV image quality was enhanced from standard definition to high-definition, TV makers swiftly shifted to HDTV but content was slow to follow.

Learning from that experience, Panasonic is now collaborating with content providers from an early stage to expand 3-D productions.

Panasonic has tied up with DirecTV, a U.S.-based satellite broadcasting company that provides service to more than 18.4 million customers in the U.S., in an effort to promote 3-D TVs and content.

DirecTV high-definition users will receive a free upgrade to access three 3-D channels starting in June.

Panasonic may start selling 3-D TVs in the U.S. next month.

"When introducing a new format, just producing the TV won't really facilitate the spread. It is important that soft content expands as well. We are not content providers, but this point cannot be ignored," Kadota said.

ESPN plans to broadcast 3-D programs in June, and Sony will be teaming up with the Discovery Channel and IMAX to run 3-D content on TV in 2011.

As content providers prepare for the dimensional change, Japanese makers appear eager to lead the market with 3-D value, considering that flat-screen TVs have been getting progressively cheaper on the domestic market.

While Japan's 3-D pioneers aim to challenge flat-screen TV market leader Samsung Electronics Inc., their South Korean rival is not sitting still. The firm reportedly plans to release its own 3-D TVs next month.

Pushing 3-D TVs as a niche industry can energize the market, so competition with foreign makers is welcome, said Yuichi Sekiguchi, who manages Toshiba's global marketing department TV group.

"We need to keep providing new value to customers," Sekiguchi said.

Toshiba is also looking to enter the 3-D TV market and plans to release products in the U.S. and Europe this fall. Its Japan debut remains undecided.

Toshiba will use its Cell Broadband Engine, a high-performance processor jointly developed with IBM and Sony that can articulately process sound and moving images, for its 3-D TVs.

The company is also looking into marketing TVs for the U.S. that can transform 2-D content into 3-D.

In terms of providing new value, "a 3-D TV is really interesting as a trigger. And the movement is being pushed by not just one company, but the industry is trying to turn it into a standard," Sekiguchi said. "We expect the TV industry to move in a good direction."

Top firms' profits rose 47% in '09

The combined pretax profit of companies listed on the first section of the Tokyo Stock Exchange that close their books in March is forecast to rise nearly 47 percent in fiscal 2009, according to data released by Nikko Cordial Securities Inc.

The projected rise, the first in two years, is largely attributable to brisk exports to China and other emerging economies, government stimulus measures and corporate efforts to streamline operations, Nikko said Tuesday.

Using pretax profit projections for fiscal 2009 ending March 31 and released through Monday by 1,293 companies, the brokerage found that their combined pretax profit is projected to total ¥16.97 trillion, up 46.8 percent from the previous year.

Of the companies, 313 firms revised their projections upward with makers of consumer electronics and automobiles providing bullish forecasts thanks to the government's incentive programs for purchasing energy-efficient home appliances and cars.

In contrast, 131 companies, especially those reliant on domestic demand, released bearish projections, reflecting cautious corporate investment in plants and equipment, and stagnant consumer spending amid deflationary pressure.

Railways and manufacturers of steel and metal products were among the cautious companies.

(Yahoo News) Japan Jan commodity fund value matches record low

TOKYO, Feb 18 - The face value of funds sold by commodity brokerages in Japan in January inched down from the previous month to match a record low posted in November, industry data showed on Thursday.

The value of funds eased 0.6 percent to 15.3 billion yen last month from 15.4 billion yen in December, according to data compiled by the Japan Commodities Fund Association.

December showed the first month-on-month increase in the value of funds since since August 2007, after hitting the record low of 15.3 billion yen in November.

The value of funds sold by commodity brokerages has been declining due to an increase in the range of alternative investments available to investors.

Banks and securities brokerages now offer gold-backed exchange-traded funds and multi-funds linked to commodities indexes.

There were no commodities funds launched in January, after one was launched in December for the first time since July 2008.

Japan's 20 commodity funds saw a net outflow of 100 million yen in December, mainly due to cancellations.

The market value of assets under management in these funds was not available, the association said.

Bank of Japan firm in face of political pressure

TOKYO (AFP) - - Japan's central bank kept its super-low interest rates unchanged Thursday and defied political pressure to take new steps to beat stubborn deflation in the world's second-largest economy.

The Bank of Japan held its benchmark rate steady at 0.1 percent, where it has been since December 2008, saying reversing a slump in consumer prices was a critical challenge.

"Japan's economy is picking up mainly due to various policy measures taken at home and abroad, although there is not yet sufficient momentum to support a self-sustaining recovery in domestic private demand," it said in a statement.

"The Bank recognises that it is a critical challenge for Japan's economy to overcome deflation and return to a sustainable growth path with price stability," the BoJ added.

The BoJ said it would "maintain the extremely accommodative financial environment", but refrained from announcing any new steps such as increased bond purchases.

"The Bank of Japan is sending the message that the country can get out from deflation without taking further steps to ease monetary policy," said Credit Agricole economist Susumu Kato.

The Bank of Japan has already slashed interest rates to just 0.1 percent and pumped trillions of yen into the financial system to boost the economy in the face of the worst downturn in decades.

But it has been criticised by Japan's government for not doing enough to ward off the threat of another deflationary spiral as seen after the country's economic bubble burst in the early 1990s.

Japan's Finance Minister Naoto Kan said Tuesday that the government and central bank were aiming for a positive annual inflation rate of about one percent, referring to a specific inflation target for the first time.

Under pressure from the government, the BoJ had said in December that most of its policy board members favoured an inflation rate of around one percent.

But Bank governor Masaaki Shirakawa indicated Thursday that the central bank does not have a firm inflation target.

"If we focus on price movements too much we could overlook imbalances in the overall economy," Shirakawa told reporters after the policy meeting.

Japan plunged into a year-long recession in 2008 as its exports collapsed due to a severe global downturn.

It returned to growth in the second quarter of 2009, but the recovery remains fragile with falling consumer prices, high public debt and weak domestic demand all major concerns for policymakers.

JAL ranks face 5% wage cut, no bonus or promotions

The Japan Airlines Corp. group is planning to cut monthly wages by 5 percent and forgo bonus payments as part of its restructuring process, sources said Thursday.

The move, which also includes suspension of annual raises and promotions, will affect about 16,000 employees alone at key subsidiary Japan Airlines International Co.

JAL will aim to implement the measures starting April 1 after submitting the proposal to its eight labor unions for a revision of the company's wage system for the business year through March 2011, the sources said.

The carrier, which has filed for court protection and whose turnaround is being sponsored by a government-backed body, expects to cut costs by more than ¥30 billion with the wage reduction by implementing similar measures for its group employees.

The latest decision follows a move in December when no JAL employee got a bonus. But the carrier may consider paying a bonus of about two weeks worth of salary in summer and at the end of the year if its earnings recover, to thank employees for their cooperation in the rehabilitation process.

Pilot pay — often criticized as too high — will likely be cut as well. JAL previously guaranteed pilot wages for 65 flying hours per month regardless of actual working conditions. It will aim to cut the guaranteed hours to 50 per month by the end of the 2010 business year, according to JAL.

Japan's Financial Services Agency: Proposal Of Disclosure Items Concerning Corporate Governance

The Financial Services Agency (FSA) is proposing amendments to disclose new items concerning corporate governance of a company in its securities report, as attached. (Please note that the Japanese version was originally released on February 12, 2010) The new rules will be effective on March 31, 2010. Comments on the proposal should be received by 5 PM on March 15, 2010 (JST), which may be submitted via post, fax or e-mail and should be accompanied by the name and postal address of the person and/or organization and the reasons for the comments. Comments by phone are not accepted. Please note that the received comments, including the name of the person and/or organization, may be published. Furthermore, the FSA will not respond to comments individually.

Toyota chief leaves for US: report

TOKYO (AFP) - – Toyota president Akio Toyoda, under fire for his handling of massive safety recalls, was to leave on Saturday for the United States to testify in Congress, a Japanese newspaper said.

The head of the embattled Japanese automaker has bowed to calls to appear before US Congress following an invitation by Representative Edolphus Towns to testify next Wednesday.

Toyoda, expected to face a grilling by US lawmakers, was planning to prepare for the testimony with Yoshimi Inaba, head of Toyota's North American operation, the Mainichi daily said citing unnamed sources.

The company could not confirm the report because "the president's schedule remains confidential until the congressional hearing," said Toyota spokeswoman Mieko Iwasaki.

Toyota is recalling more than eight million cars worldwide for defects linked to more than 30 deaths in the United States that have sparked a host of US lawsuits which could cost the company billions of dollars in damages.

Toyoda, the usually publicity-shy grandson of the company's founder, was initially reluctant to speak before the congressional committee but relented following pressure at home and abroad.

Japan's Transport Minister Seiji Maehara on Friday criticised Toyoda for not being more decisive on whether to face the US Congress, saying it was "regrettable that there were flip-flops."

BOJ to Hatoyama: rein in debt

Shirakawa warns against using monetary policy to support the government's finances

Bloomberg

Bank of Japan Gov. Masaaki Shirakawa escalated pressure on Prime Minister Yukio Hatoyama to contain the world's largest debt with a warning that investor "trust" won't be assured in the aftermath of Greece's budget woes.

"It's important to gain the trust of financial markets by showing a path for fiscal consolidation," Shirakawa said in Tokyo on Thursday. He spoke after the BOJ Policy Board kept interest rates, the level of its government-bond purchases, and bank-lending programs unchanged.

Shirakawa's remarks reflect his concern that increasing the BOJ's debt purchases risks giving investors the impression that it is willing to fund fiscal expansion.

They also highlight rising tension with political leaders after Finance Minister Naoto Kan this week stepped up heat on the BOJ to fight deflation by saying Japan needs an inflation target.

"Shirakawa wants to give a fresh reminder that Japan will lose trust from the market if the nation uses monetary policy to support the government's finances," said Norio Miyagawa, a senior economist at Shinko Research Institute in Tokyo. "Basically, it's impossible to escape from deflation with monetary policy alone."

Credit-default swaps tied to Japanese government bonds show an increase in risk. The cost of protecting the debt from default for five years has doubled to 78.8 basis points since the Hatoyama administration started Sept. 16, according to prices from CMA DataVision in New York.

The yield on Japan's 10-year bond rose one basis point to 1.325 percent, advancing from a three-week low. Kan responded to Shirakawa's remarks by saying the government will do its part to mend its finances.

"The Bank of Japan and government are basically pointing in the same direction," Kan told reporters in Tokyo on Friday. "The government will do its part with fiscal and tax policy, while the central bank will use monetary tools."

As part of its efforts to sustain an economic recovery, the BOJ unveiled a program of lending ¥10 trillion to commercial banks in December. It's also buying ¥1.8 trillion in government bonds each month, and has kept the benchmark interest rate at 0.1 percent since December 2008.

"Monetary policy isn't aimed at fiscal funding," Shirakawa said. "It's aimed at achieving sustainable growth under stable prices. It's important that governments respect this stance and markets have faith in it."

Concerns about the state of public finances in European nations including Greece have roiled global financial markets and weakened the euro.

"Increasingly, attention is being paid to fiscal developments of each country and their impact on markets, as we can see in the case of Greece," Shirakawa said.

Policy Board member Seiji Nakamura warned this month that the government can't ignore Greece's fiscal woes, saying in a speech that the country's concerns aren't just a "burning house on the other side of the river."

Hatoyama's administration has yet to detail plans to repair its finances since Standard & Poor's warned last month that it may cut the nation's AA rating. Kan aims to develop a fiscal strategy by June, and this week he said the government will consider hiking the consumption tax.

Hatoyama later repeated his stance that the government won't raise the sales tax for at least four years. His Democratic Party of Japan is trying to sustain the recovery as it faces an Upper House election in July.

Economic growth accelerated to a 4.6 percent annual pace in the fourth quarter, led by a trade revival that prompted exporters, from Panasonic Corp. to Nissan Motor Co., to raise their profit forecasts. At the same time, the GDP figures showed deepening price declines that threaten to stunt the rebound.

Kan has been pushing the BOJ to battle deflation as his ability to bolster the recovery is constrained by a public debt that's approaching twice the size of the economy. Shirakawa says the bank can't spur prices on its own because adding cash to the economy isn't enough to drive spending.

Responding to Kan's suggestion this week of a 1 percent inflation target, Shirakawa said the BOJ has already examined the relative merits of targeting and concluded its current policy framework is the "most appropriate."

Policy Board members said in December their "understanding" of price stability is increases of up to 2 percent, with a median of 1 percent.

Consumer prices excluding fresh food fell 1.3 percent in December from a year earlier. This week's GDP report showed the GDP deflator, a broader gauge of prices, tumbled 3 percent in the fourth quarter, the most since records began in 1955.

Shirakawa said putting too much focus on price movements may lead policymakers to overlook distortions accumulating in the economy. Targeting a certain level of prices over the short term may hamper the goal of achieving sustainable economic growth, the governor said.

The BOJ reiterated Thursday that overcoming deflation is a "critical challenge" and it will "aim to maintain the extremely accommodative financial environment."

"The governor's comments showed that the BOJ is trying to quietly but adamantly resist" government pressure, said Kyohei Morita, chief economist at Barclays Capital in Tokyo.

¥92.90 exporters' threshold level

Bloomberg

Exporters said they can remain profitable as long as the yen trades at 92.90 per dollar or weaker, a government survey showed.

The level is stronger than the ¥97.33 break-even point companies provided last year, according to a survey released Friday by the Cabinet Office.

A revival in global trade and emergency spending at home have been sustaining the economy's recovery from its deepest postwar recession. One of the biggest risks to the nation's rebound is a gain in the currency, which erodes the value of exporters' earnings, said Yoshiki Shinke, senior economist at Dai-ichi Life Research Institute in Tokyo.

"The government may have no choice but to roll out another stimulus" should the yen resume its advance, Shinke said before the report.

Japan's currency soared to a 14-year high in November, prompting Prime Minister Yukio Hatoyama to unveil a ¥7.2 trillion spending package and the Bank of Japan to introduce a new lending program.

The yen has retreated more than 5 percent since November, helping companies including Honda Motor Co. A stronger yen erodes the profits of Japanese exporters.

Honda has raised its full-year profit forecast because the yen hasn't strengthened as much against the dollar as it predicted. The carmaker said the yen may average 92 against the dollar for the year ending March 31, compared with an earlier forecast of ¥90.

Socio-cultural façade;

Detailed News;

Cases of HIV/AIDS declined in '09

The number of people newly infected with HIV or who developed AIDS in 2009 came to 1,428, marking the first drop in seven years, the health ministry said Friday.

Although the total figure was down 8 percent from 2008, when it hit a record high 1,545, the health ministry in a preliminary report said it remains cautious because the number of antibody tests conducted last year fell 15 percent.

The health ministry's AIDS Trend Committee found that of the total, there were 1,008 new HIV infections and 420 AIDS patients, while 94 percent of the cases involved males. By route of transmission, 62 percent were infected as a result of same-sex contact and 24 percent through male-female sexual contact.

The number of cases involving people in their 30s grew 4 percent from the previous year to 581, making it the only age bracket to record an increase.

People who did not know that they had been infected with HIV until they contracted AIDS accounted for 29 percent of the total, slightly up from 2008.

The number of such cases increased in all age groups except for people in their 20s.

River targeted for Yamba Dam tainted with arsenic: survey

Excessive arsenic levels have been detected in the Gunma Prefecture river that was supposed to host Yamba Dam, a water survey submitted to the land ministry shows.

The Agatsuma River, which was picked for the recently canceled dam project and includes an upstream tributary to the Tone River supplying water to the Kanto region surrounding Tokyo, contains more than five times the permissible level of arsenic, the documents show. But this data has not yet been made public.

According to the documents, high levels of arsenic were found about 10 km upstream from the Yamba Dam construction site.

This is not the first time illegal arsenic levels have been detected in the area. Surveys conducted in fiscal 2008, which ended in March 2009, produced similar findings that were kept from the public. The findings only came to light in November, following the historic shift in government last September.

Critics have charged that the previous government, led by the Liberal Democratic Party, kept the arsenic findings hidden to protect the costly dam project, which the ruling Democratic Party of Japan axed after coming to power.

Land, Infrastructure, Transport and Tourism Minister Seiji Maehara, who canceled the dam project, subsequently told a Diet committee session his ministry would reveal as much information as possible.

The ministry has said it planned to make the arsenic finding public at the end of fiscal 2009 after compiling all the relevant documents.

Sex-change husband presses justice minister to register son

A 27-year-old man who has legally changed his sexual status due to gender identity disorder called Monday on Justice Minister Keiko Chiba to register his son, born by artificial insemination, as his legitimate child.

The Justice Ministry has been refusing his request.

"The country recognized me as a man, then why can't I be recognized as a father?" the man from Shiso, Hyogo Prefecture, said at a news conference after meeting with Chiba. "I just want to live a normal life."

The man quoted Chiba as telling him she plans to set up a panel of experts to look into the case and hear opinions from people facing similar situations.

The meeting came after Chiba expressed her willingness last month to review how the man's case has been handled.

The municipal government in Shiso has told the man and his wife to register their son as a child born out of wedlock. The man's younger brother provided the semen for the artificial insemination.

The couple rejected the request, leaving the child without a family register for more than three months since his birth on Nov. 4.

A special law enacted in 2004 enables people suffering from gender identity disorder, a term used to describe people facing a gap between biological and mental sex identities, to change their sex in their family registration records.

According to the Justice Ministry, there have been five other cases around Japan concerning how to register a child born to a parent who has legally changed their sex.

The man changed his sex from female to male under the special law in March 2008. He got married the following month.

Japan's indie directors feted in Rotterdam

ROTTERDAM, Netherlands — This year's International Film Festival of Rotterdam, which ran from Jan. 27 to Feb. 7, demonstrated the diversity of Japanese films to the European audience by featuring such guests as Kiju Yoshida, Masaki Iwana and Hirokazu Koreeda.

With Koreeda's Dutch premiere of "Air Doll" ("Kuki Ningyo"), the audience in the fully packed cinema was presented a dreamlike story about a blow-up doll coming to life.

"It is the first time I made a movie based on a 'manga' (comic book) . . . but I liked it a lot," Koreeda told the audience, referring to Yoshiie Gouda's "The Pneumatic Figure of a Girl."

"The message I want to give with this film is how empty we actually all are and what we are doing to 'fill ourselves up,' " he said.

Like his highly acclaimed films "Nobody Knows" and "After Life," the main theme is isolation and loneliness.

To create a fairy-tale atmosphere, Koreeda cooperated with artist Yohei Taneda, best known for the set decorations in the first "Kill Bill" movie by Quentin Tarentino.

Taneda was also in Rotterdam and he explained his way of working, saying, "We wanted to create an atmosphere that was not completely real . . . and to get there, we visited a lot of locations together."

Much less known in the Western world are the independent filmmakers Yoshida and Iwana.

"I'm very proud to see the world premiere of my film here in Rotterdam," director Iwana told the audience before the screening of "A Summer Family." Originally a "butoh" (mime) artist, Iwana has been widely active as a dancer in Europe for more than 20 years, mostly in France.

"A Summer Family" is concentrated around the life of a dancer. The movie is set in France and tells about the relationship of a Japanese dancer, two women and a mysterious daughter he is living with.

"It took me five years before I could finish this movie," Iwana said. "Making it involved traveling a lot, for example to Athens and New York, places where the action in the film takes place."

"A Summer Family" is his second feature film, following "Vermilion Souls," which won several prizes, including the Best Film Award at the 2009 Portobello Film Festival, which is the most important festival for independent films in Britain.

Iwana was partly influenced by the magical world of the Russian filmmaker Andrei Tarkovsky, where reality and fantasy mingle.

"I must say that he was one of my inspiration sources," Iwana said, "I really love his way of working.

"But I'm certainly also influenced by the great Japanese master Yasujiro Ozu," the 64-year-old filmmaker said.

That is certainly the case for Yoshida, who even wrote a book about Ozu.

The so-called father of Japanese New Wave film, Yoshida was feted at the film festival with a retrospective of his work. His films are to travel to Norway and Denmark as well to pay homage to one of the great filmmakers in Japan of our times.

However, the start of his career was not easy.

Initially starting at Shochiku's Ofuna studio in Kanagawa Prefecture, Yoshida soon made the decision to liberate himself from the company and start his own independent production company, Gendai Eigasha.

Now his work is seen as a rare pearl among movies coming from Asia. "The Affair at Akitsu," "Eros + Massacre" and "A Story Written on Water" were some of his films shown in Rotterdam.

"I wanted to react against the patriarchy which is so omnipresent in the classical Japanese movie," Yoshida told the audience before the screening of his work. "In Kurosawa's films, for example, one can see almost no women, it is always the patriarchal society which prevails.

"My movies, however, are about women," he said.

Yoshida was accompanied by his actress wife, Mariko Okada, who is also a major character in many of his films.

"In both Europe and Japan, his themes, such as the reversal of the traditional orders, where men decide most things, were still taboo at the time the film was made," said Jaap Muysewinkel, a 35-year-old film fan.

"His work is, next to very interesting, stylistically very beautiful and his tone is constantly very serious, but never ever does the film become dramatic," Muysewinkel said. "The flow of his

story feels very natural, despite the fact that all humor is absent. And still you never get bored, the viewer is constantly torn into the movie."

The 39th Rotterdam Film Festival attracted some 353,000 visitors to 27 different venues.

"Visitors and professionals came in huge numbers to Rotterdam, to attend a festival for which innovation in film art is a priority," said Rutger Wolfson, the festival's director.

The prizes for the best films of the festival went to Costa Rica's Paz Fabrega for "Agua fria de mar," Thailand's Anocha Suwichakornpong for "Mundane History" and Mexico's Pedro Gonzalez-Rubio for "Alamar."

Prosecutors try to tie teachers union boss to election violation

SAPPORO (Kyodo) Prosecutors searched the Sapporo home of a teachers union member Tuesday for evidence the union made illegal political donations to Democratic Party of Japan Lower House lawmaker Chiyomi Kobayashi.

The owner of the home is Hideki Osada, acting head of the Hokkaido teachers union and a key campaigner for Kobayashi in last summer's general election.

The union allegedly donated a total of ¥16 million to Kobayashi's campaign in the runup to the Aug. 30 election.

The prosecutors also searched several other places related to the union's activities a day after they seized accounting documents, lists of names and other materials from a Sapporo office of the union.

Donations to individual politicians from businesses or other groups are prohibited under the Political Funds Control Law.

The prosecutors also suspect Kobayashi engaged in illegal campaigning because there is no proof the donations were recorded in her campaign fund report, as required by law.

Last week, the Sapporo District Court sentenced Hirokazu Yamamoto, a member of Kobayashi's campaign staff, to a suspended two-year prison term for soliciting votes in violation of the election law.

Yamamoto promised to pay ¥700 to ¥900 per hour to 35 people who asked voters to support Kobayashi in the Hokkaido No. 5 district between May and August, according to the court.

If the ruling is finalized, prosecutors are expected to file a suit demanding that the Sapporo High Court nullify Kobayashi's election.

"I'm not aware of what has been reported by the media and I have no choice but to wait and see how the investigation develops," Kobayashi said after the prosecutors' latest move Tuesday.

Average household spending declines

Average monthly household spending dropped 1.4 percent in 2009 in real terms, marking the second consecutive year of decline, the government said Tuesday.

In nominal terms, household spending fell 2.9 percent to ¥253,720 as spending on entertainment and food declined, the Internal Affairs and Communications Ministry said.

Average spending by single-member households decreased 3.8 percent in real terms and 0.2 percent at households with two or more members.

Spending on food dropped 2.4 percent. Clothing and footwear spending fell 4.5 percent. "Other spending," including entertainment expenses, declined 3.8 percent.

But cultural spending, including television and personal computer purchases, increased 2.7 percent.

Four more hospitals targeted by organ brokers

Kyodo News

Four medical institutions have been approached by individuals and organizations that appeared to be organ transplant brokers, the health ministry said after surveying hospitals following a similar case that came to light in November.

The Health, Labor and Welfare Ministry said, without providing many details, that it found out about the four cases when it sent written inquiries to hospitals and other medical facilities nationwide in which it instructed them not to cooperate with illegal transplant brokers and urged them to report suspicious cases.

All four institutions declined requests from suspected transplant brokers over the last few years, the ministry said. Two of the institutions are hospitals in the Kanto and Kinki regions.

The ministry surveyed nearly 250 facilities following the revelation that a man suspected of illegally brokering organ transplants overseas approached a doctor at Kanagawa University

Hospital in Ishikawa Prefecture last November for cooperation in helping a patient there receive a transplant in China.

The organ transplant law prohibits transplants being arranged without government permission.

The Japan Organ Transplant Network is the sole organization certified as an intermediary.

In written instructions issued Monday, the ministry warned facilities to be careful when issuing referral letters because patients could be exploited by illegal organ transplant brokers.

The ministry also referred to ethical guidelines set by the Japan Society for Transplantation, which prohibits the use of organs taken from executed prisoners both at home and abroad, and asked the medical facilities to notify patients of the potential ethical problems presented by transplant brokers.

Japanese patients are allowed to go to the United States and Europe to receive organ transplant procedures after obtaining letters of referral from their physicians at home.

Isotopic test can ID origins of beef, rice

Kyodo News

A private laboratory in Yokohama plans to offer a service next month that can help detect fraudulent labeling of branded food products, lab officials said Wednesday.

This will be the first commercial isotope analysis service to identify the origins of beef and rice.

The company will begin accepting orders in March.

Japan Isotope Analysis Laboratory Inc. said it can identify 15 beef brands, including high-end Matsusaka beef, with 93 percent accuracy using a database of their isotope compositions.

The lab also has a database for rice that can determine where grains come from among 17 prefectures, from Hokkaido to Gifu, and the region surrounding Tokyo. The database is particularly precise for varieties from Niigata Prefecture: It can determine whether rice comes from Minamiuonuma, a city known for its Uonuma Koshihikari brand.

To build the beef database, the lab obtained more than 1,000 samples from ranchers around the country and analyzed the isotope compositions of the four components of amino acids: carbon, nitrogen, oxygen and hydrogen, the officials said. Isotopes of an element have the same number of atoms but different weights.

To make the rice database, the lab collected data on water and rice produced in about 700 locations nationwide, including 220 spots in Niigata alone, the officials said.

The lab is already using the technique for such products as bamboo shoots and buckwheat, and its clients include public offices and police stations.

Teacher gives dropouts free helping hand

Shotaro Namekata is one of many who believe education holds the key to stepping up the social ladder and obtaining a better job. But in reality, children from lower income households end up in low-paying jobs themselves because of their limited schooling.

Wanting to break this vicious circle, the 49-year-old Namekata, from Nerima Ward, Tokyo, operates a prep school to help them get out of that loop.

"I'm just trying to provide the stairway for people who have the strong will to make the effort to climb up," Namekata said. "And I want to do that for free, because these people often don't have the money to give themselves another try."

Namekata runs Keisetsu Gijuku, a completely volunteer-based prep school, to help people who couldn't go to high school or dropped out for financial reasons, to study for the high school equivalency exam.

Classes are held twice a week, on Sunday afternoons in Shibuya Ward, Tokyo, and Friday evenings in Kawaguchi, Saitama Prefecture.

Passing the eight subject exams earns a "kosotsu nintei" certificate proving the holder has an education level equal to that of a high school graduate. People who get the certificate are authorized to take exams to enter vocational schools and universities, as well as qualification exams required to apply for certain jobs, the same as high school graduates.

For someone with only a junior high school diploma, which is given out for completing compulsory education, having a kosotsu nintei definitely opens up more opportunities in a society where graduating from high school is the norm, according to Namekata.

"Unless you're a high school graduate or above, there will be no jobs here," he said.

"If I were an employer and had to choose between a high school dropout and a person who has a high school diploma, I would definitely choose the latter because you assume the dropout may also quit the job. That's reality," Namekata said.

"What could then happen is that, when you're just a junior high school graduate, have no job or place to go, you have no choice but to steal and end up in jail. At least, people may view you with that kind of suspicion," he said.

The problem with families living in poverty is that the children are often unaware of the importance of education because the adults in their lives don't encourage them to study, Namekata said. And even if they come to realize the value of a formal education when they are older, there are limited places to seek assistance, he pointed out.

"It would be ideal to create a society without dropouts, but while we wait for that to happen I want to improve the situation for people in the real world."

Despite the seriousness of his words, Namekata is soft-spoken. His views and actions are a reflection of his own experience. Growing up in a family with no mother and leading a difficult youth, he said it was by luck that he realized in his first year in high school in Saitama Prefecture that he should study hard and go to a university.

Namekata said he had the worst grades of any student in his class that first year, and his teachers thought he was hopeless. "I nearly dropped out, but that's when I realized that I had to do something."

He developed a technique to pass the multiple-choice exam and made it into the education department at Utsunomiya University. He has refined this technique and now passes it on to his students.

His university education helped him obtain a teaching job and gave him skills to run his own business. He is married with three children, two of whom are in college.

Today, he earns a living by teaching young students who stopped going to school how to study for the high school equivalency exams. According to Namekata, the families of these students are not necessarily poor and can afford to support their children.

But with his free prep school, Namekata is supporting people up to age 45 who couldn't afford high school, for instance because they were in a single-parent household with a low income or their family was on public assistance.

Since Keisetsu Gijuku opened two years ago, about 20 of his students have achieved their goals, including people aiming to pass the qualification exams to enter nursing school, one of the services Namekata offers.

Namekata said his prep school is open for foreign residents having financial difficulties with similar needs and goals. Japanese-language proficiency and an alien registration card are necessary to take the kosotsu nintei exams.

Since the school opened in August 2008, more than 60 people have attended classes at Keisetsu Gijuku, four of them foreign nationals.

Through supporting them, Namekata said he has come to realize that although there are an increasing number of foreigners in Japan, the children who make it through junior high are offered few places to prepare for higher education.

He views that even opportunities such as the high school equivalency exams are not known among them.

"I'm looking for people who are willing to study and help themselves, regardless of their nationality," he said.

Namekata plans to hold a meeting to explain the exams to foreigners this Sunday at Yoyogi High School near JR Yoyogi Station. For those interested, call Namekata at 070-6664-6023.

(The Straits Times) Japan warned to stop whaling

SYDNEY - AUSTRALIAN Prime Minister Kevin Rudd bluntly told Japan on Friday to stop hunting whales or face international court action this year, just a day before a visit by Foreign Minister Katsuya Okada.

Mr Rudd said Australia had collected video and photographic evidence about Japan's annual Antarctic hunting expeditions, threatening to take its major trading ally to court before the next whaling season.

He told the Channel 7 TV station that Australia would 'work with the Japanese to reduce, through negotiation, their current catch to zero'. 'If that fails - and I'm saying this very bluntly and very clearly on your programme today - if that fails, then we will initiate that court action before the commencement of the whaling season in November 2010.'

Australia has given Japan the ultimatum before but the tough statement is likely to create waves just a day before Mr Okada's visit - the first by an official of Japan's new government.

Australia and New Zealand have consistently opposed Japan's killing of hundreds of whales each year via a loophole in an international moratorium which allows 'lethal research'.

Mr Rudd, who faces an election this year, said he made the warning despite Australia's close economic ties with Japan, its top export market with sales worth A\$55 billion (S\$69.3 billion) in the year to last June. -- AFP

Preserving forests will help prevent climate change, Maathai says

Visiting Kenyan environmental activist Wangari Maathai, who won the 2004 Nobel Peace Prize for leading a tree-planting movement, is calling for the protection of the world's forests to effectively fight climate change, saying 20 percent of greenhouse gas emissions come from deforestation and forest degradation.

In a speech to a forum Thursday at United Nations University in Tokyo, Maathai, who is especially seeking the protection of the Congo Basin forest in central Africa, said forests serve as the "lungs" of the Earth as they absorb carbon dioxide and release oxygen in the process of photosynthesis.

Noting that the Congo forest, the Amazon rain forest and forests in Southeast Asia are the world's three major forest areas, Maathai said those trees are "working for you and me, for all of us, all day to make sure that we have a clean environment."

The Nobel laureate, who was appointed as a U.N. Peace Messenger to promote U.N. environmental activities last December, lauded an agreement reached by key negotiating players at a U.N. climate conference in Copenhagen that recognized the "crucial role of reducing emissions from deforestation and forest degradation."

Maathai also highlighted the link between peace and the environment, stressing that climate change is a security issue.

(Yahoo News) Whaling in Australia's sights as Japan FM visits

SYDNEY (AFP) -- A row over whaling threatened to overshadow a visit to Australia by Japan's foreign minister on Saturday, a day after Prime Minister Kevin Rudd warned of legal action to stop Japan's annual whale hunt.

Australia opposes the slaughter and Rudd on Friday said it would take Tokyo to the International Court of Justice over the issue before the start of the next whaling season in November, unless Japan stopped the controversial practice.

"Specifically, what we're putting to the Japanese is to take where they are now, which is the slaughter of some hundreds of whales each year, and reduce that to zero," Rudd said Friday.

"If we don't get that as a diplomatic agreement, let me tell you, we'll be going to the International Court of Justice."

Foreign Minister Katsuya Okada, whose visit is the first by an official of Japan's five-month-old government, said that whaling would be on the agenda during the talks.

Okada visited a Japanese school in Sydney after his arrival and was due to meet Rudd and Defence Minister John Faulkner later Saturday. He then travels to Perth to meet with Foreign Minister Stephen Smith on Sunday.

Australia and New Zealand have consistently opposed Japan's killing of hundreds of whales each year via a loophole in an international moratorium that allows "lethal research".

Japan says its research whaling is a legal practice carried out in public waters under the international convention.

Its whaling fleet has been involved in fierce clashes with animal rights campaigners in recent weeks, including one encounter that left the activists' high-speed powerboat sliced in two.

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