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Wajid Hussain

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Summary of Report

(South Korea)

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NK Issues Ultimatum on Tour Program

North Korea has issued an ultimatum to South Korea, threatening to terminate its contracts on joint tour programs with a South Korean firm, a pro-Pyongyang journal said. The ultimatum came out Sunday after the North threatened on March 4 to nullify its contracts with Hyundai Asan in the South for tours to Mt. Geumgang and Gaeseong, both in the North, unless the South's Lee Myungbak administration quickly resumes the tourism programs suspended two years ago after the shooting death of a South Korean tourist

S. Korea will maintain stimulus

SOUTH Korea will not change policies designed to stimulate the economy until at least November when it hosts a G-20 summit, Finance Minister Yoon Jeung-Hyun said. Mr Yoon, in an interview with Monday's Dong-A Ilbo newspaper, said a decision on an exit strategy would be made that month. 'We, as host of the G-20 summit responsible for the international coordination of exit strategies, will maintain current (loose fiscal) policies at least until then.', The minister's office confirmed his remarks. In a later statement, the ministry said there was no specific timing for an exit strategy, which would be decided by taking many factors into consideration.

Cabinet Approves Revised Sejong Plan

The Cabinet approved the revision of the Sejong City project Tuesday despite diehard opposition from a large number of lawmakers, including the governing party's second-biggest faction and the main opposition party. The government will submit the revision bill late this month for National Assembly approval after getting the nod from President Lee Myung-bak, said the Office of the Prime Minister. The revision plan is to transform Sejong City in South Chungcheong Province, initially designed as an administrative complex, into a business hub housing firms, universities and science institutes.

Korea Ranks 3rd in Arms Imports

South Korea was the world's third-largest arms importer in the five years from 2005 and was also the largest customer for U.S. weapons systems, a research group said Tuesday. The Stockholm International Peace Research Institute (SIPRI) reported that the United States remained the biggest supplier of conventional weapons. China was the biggest arms buyer during the period, accounting for 9 percent of total imports, followed by India with 7 percent, according to the report titled ``Trends in International Arms Transfers 2009." South Korea and the United Arab Emirates (UAE) were in a tie for third place, each accounting for 6 percent. Korea was also the largest customer for American weapons, with 14 percent of U.S. arms exports bound here during the period.

NK to Allow Access to Detained US Citizen

North Korea has granted Swedish diplomats consular access to an American citizen who has been detained since January for allegedly illegally entering the country, the U.S. State Department said Monday.

'Kim Jong-il Has Only 3 Years Left to Live'

A senior U.S. official has said North Korea's aging leader Kim Jong-il appears to have only three more years to live, according to Yonhap News Agency, Wednesday. U.S. Secretary of State for East Asian and Pacific Affairs Kurt Campbell made the remark in a closed-door meeting during

his trip to Seoul last month, officials were quoted as saying by Yonhap. On Feb. 3, Campbell invited a group of North Korean defectors and politicians, including Rep. Park Sun-young of the Liberty Forward Party and former Democratic Party Chairwoman Chang Sang to the U.S. Embassy, to discuss the political situation and power succession in the communist North.

North Korea executes official for blunder

North Korea has executed a ruling party official blamed for a botched currency reform, in a desperate attempt to quell public unrest and stem negative impact on Pyongyang's power succession, a news report said on Thursday. The execution by firing squad in Pyongyang last week of Pak Nam-ki, Labour Party chief for planned economy, was for the crime of "a son of a bourgeois conspiring to infiltrate the ranks of revolutionaries to destroy the national economy," South Korea's Yonhap news agency said, quoting sources. But both North Korean officials and even many in the communist country's public do not believe the explanation that Pak was a conspiring anti-revolutionary, Yonhap quoted sources knowledgeable about the issue as saying.

Unification of Koreas Tagged at \$1.7 Tril.

A U.S. economist has estimated that the costs of the unification of the two Koreas would be \$1.7 trillion, nearly twice South Korea's gross domestic product (GDP). The South's nominal GDP for 2009 stood at \$930 billion. In a Forbes commentary posted Monday, Charles Wolf, a senior economic adviser at the RAND Corporation, projected the astronomical figure based on the assumption that the goal of unification was equalization of per capita GDP between the two Koreas. Wolf's estimate was slightly higher than that of Credit Suisse last year, partly due to the dollar's strength at that time. The Swiss financial services firm estimated it would cost \$1.5 trillion. The economist noted that such a large bill was attributable to the wide income disparity, saying, "A reasonable estimate of per capita GDP in the North is perhaps \$700. In South Korea it's about \$20,000."

Korea, Japan Can Build Nuclear Weapons Quickly

South Korea, like Japan, has the technology to build a nuclear arsenal quickly if it decides to do so, a U.S. defense report said Thursday. "Several friends or allies of the United States, such as Japan and South Korea, are highly advanced technological states and could quickly build nuclear devices if they chose to do so," said the Joint Operating Environment (JOE) 2010, released on Feb. 18, by the U.S. Joint Forces Command. The biennial report forecasts possible threats and opportunities for the U.S. military

Seoul, Beijing Want Early Resumption of Nuclear Talks

The top diplomats from South Korea and China met Thursday to discuss ways to resume the six-way talks on ending North Korea's nuclear ambitions, as well as promoting ties between the two

nations. The meeting was held in Beijing between Minister of Foreign Affairs and Trade Yu Myung-hwan and his Chinese counterpart Yang Jiechi. Yu asked China to make efforts to bring the North to the negotiating table and called for concerted cooperation with other participating nations of the talks to resolve the nuclear problem.

S. Korean assembly approves renewable energy bill-govt

South Korea, heavily dependent on oil and gas imports, said on Thursday its parliament had approved a government bill to hike the country's consumption of renewable energy and support solar, wind power and fuel cell markets. The assembly passed the bill, dubbed Renewable Portfolio Standard (RPS) and submitted in late 2008, to require 14 state-run and private power utilities to boost supplies of renewable energy starting in 2012, according to a statement from the ministry of knowledge economy. Under the bill, the utilities should boost renewable energy by two percent of the total power generation in 2012, and the requirement will grow by five times to 10 percent in 2022.

80% Back Inter-Korean Summit

In a recent survey, 78.9 percent of those polled said they were in favor of the two Koreas holding an inter-Korean summit, with half favoring President Lee's precondition that Pyongyang's denuclearization be included on the agenda of the talks. In the opinion poll of 1,800 adults last week, 12.4 percent answered that it would be inappropriate for the Lee administration to seek an inter-Korean summit for the time being, while 8.7 percent were undecided on the issue. The survey was conducted by ACE Research at the request of the National Unification Advisory Council.

Education Ministry Lists Unionized Teachers

The government has asked city and provincial education offices to provide it with a list of school teachers belonging to the left-leaning Korean Teachers and Educational Workers' Union (KTU). This is the first time the government has listed names and affiliated schools of unionized teachers, raising concerns that it infringes upon their human rights.

US Calls for Stronger NK Commitment to Nuke Talks

The United States welcomed remarks by a North Korean envoy that Pyongyang will return to the six-party talks on its denuclearization before June, but called for more than words, Yonhap News Agency said Saturday. Duguid was responding to a report that a North Korean diplomat in London told reporters that North Korea will return to the six-party talks before June without any preconditions attached.

Economic Frontage

N. Korea to Attract S. Korean Investment in Rason

North Korea changed a law regarding its northeastern Rason special economic zone last January in an apparent move to attract more foreign investment, including from South Korea, a government official said. The Seoul government has confirmed the revision, which includes a clause that says the North will allow "Korean compatriots living outside the Democratic People's Republic of Korea (DPRK)" to be engaged in economic and trade activities in the communist state's first free trade zone, set up in 1991, the official said on condition of anonymity. The DPRK is North Korea's official name. The North had banned South Korean investors from Rason in a 1999 revision.

Electric Cars to Be Used for G-20 Leaders

Low-speed electric cars will be used by Seoul City officials as early as next month. The neighborhood electric vehicles (NEVs) will also be used to serve state leaders at the G-20 Summit this November in the Korean capital, the Seoul Metropolitan Government said Friday. The NEVs are recharged by being plugging into a standard power outlet. Vehicles with lithium polymer batteries cost around 20 million won. Fifteen vehicles will be deployed by June at fire departments. Another 20 will be introduced in the latter half of the year, for patrol and parking management at World Cup Park in northern Seoul. The park will be designated as a "Zero Emissions Zone" before the international summit, allowing access only to environmentally-friendly cars such as electric cars, electric buses and hydrogen fuel-cell cars.

S. Korea Feb LNG, coal imports jump yr/yr

South Korea's imports of liquefied natural gas (LNG) jumped 21 percent year-on-year in February, customs data showed. South Korea, the world's second-largest LNG buyer after Japan, imported 3.4 million metric tons of LNG in February, up from 2.9 million metric tons a year earlier, according to the Korea Customs Service.

'FTA Ratification Would Create Billions for US'

Ratification of pending free trade agreements (FTAs) with South Korea and two other countries would allow the U.S. to boost its annual exports by billions of dollars, the country's top trade negotiator said Tuesday in Washington D.C. However, Obama's administration has yet to take significant steps to bring the deals to Congress, and concern is growing it may not do so this year as it addresses urgent issues such as health care and financial reform. But doubts remain over the completion of the FTAs and the ability of Obama's trade push to create the number of new jobs he says it will.

Inditex profits rise on Asia sales

SPAIN'S Inditex, Europe's biggest clothing retailer, posted Wednesday a rise in fourth-quarter net profit as strong sales abroad, especially in Asia, offset sluggish domestic demand. In the three months to December, the owner of the Zara, Bershka and Massimo Dutti chains earned a net profit of 483 million euros (\$927 million), against 410 million euros in the same year-ago period, it said in a statement. For the full year 2009 the company's net profit rose to 1.31 billion euros from 1.25 billion euros in the previous year. Analysts polled by Dow Jones Newswires had expected a full year 2009 net profit of 1.27 billion euros. Net sales during the fourth-quarter rose to 1.9 billion euros from 1.68 billion euros during the same year-ago period and reached 11.08 billion euros for the full year compared to 10.41 billion euros last year.

US seeks to be broadband leader

US COMMUNICATIONS regulators on Monday began unveiling details of a plan designed to vault the United States into the ranks of world leaders in high-speed Internet access over the next decade. The 'National Broadband Plan', scheduled to be presented to Congress on Tuesday by the Federal Communications Commission, sets a 10-year goal of connecting 100 million US households to affordable 100-megabits-per-second Internet service. President Barack Obama has pledged to put broadband in every American home and his administration has already designated over US\$7 billion (\$9.78 billion) in economic stimulus money to expand broadband access in underserved communities.

Korea's jobless inches down

SOUTH Korea's jobless rate fell slightly in February from a month earlier, statistics showed Wednesday, but an analyst said companies remained reluctant to hire despite the economic recovery. The rate stood at 4.9 per cent last month, Statistics Korea said, compared with five percent in January, which was the highest percentage for almost nine years. On a seasonally adjusted basis, the unemployment rate declined to 4.4 per cent from 4.8 per cent in January. The number of people with jobs increased to 22.86 million in February, up 125,000 from a year earlier. The government, fearful of a jobless recovery, has announced plans to create more than 250,000 new positions this year. Among other measures, it will provide tax and other benefits to small and medium-sized companies to boost recruitment.

Kia Motors plans 100 mln euro Slovak plant

Car maker Kia Motors (000270.KS) said on Thursday it will invest 100 million euros (\$136.6 million) to build a new engine plant at its assembly site in Slovakia. The South Korea's No. 2 automaker currently operates a 1 billion euro car factory in the euro zone country, with an annual production capacity of 300,000 cars.

Samsung Elect targets double digit 2010 sales growth

South Korea's Samsung Electronics Co. Ltd. (005930.KS) said on Friday it was targeting double digit sales growth this year, with operating profit exceeding the 2009 level. In 2009, Samsung, the world's top maker of memory chips and LCD flat screen and No.2 handset maker, reported record consolidated sales of 136.3 trillion won (\$120.8 billion) and a record operating profit of 10.9 trillion won

POSCO, SAIL to tie up for India steel plant -paper

South Korea's POSCO (005490.KS) has agreed to tie up with state-run Steel Authority of India Ltd (SAIL.BO) to build a \$3.3 billion steel plant in eastern India, the Business Standard reported on Friday. The plant with an initial production capacity of 3 million to 4 million tonnes a year is expected to be located in the mineral-rich state of Jharkhand, the newspaper said. It quoted a POSCO spokesman as saying details of the agreement were being worked out. Officials at SAIL and POSCO could not immediately be reached by Reuters for a comment.

Seoul shares seen rangebound; eyes on Kia

Seoul shares may trade in a tight range on Friday as firm gains on Wall Street are set to help the market but a mixed set of data could keep investors in check. "Markets are probably headed for a cautious start, but sentiment will not be bad. U.S. consumer price data was unchanged, which is positive in terms of the interest rate and exit strategy outlook," said Won Jong-hyuck, a market analyst at SK Securities.

Shanghai GM recalls 2,000 Captivas

SHANGHAI GM, a venture between General Motors Corp and China's SAIC Motor Corp, is recalling 2,065 Chevrolet Captivas imported from South Korea, China's quality supervision agency said. The sports utility vehicles, made by GM Daewoo Automotive and Technology before the end of 2007, risked steering malfunctions, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) said in a statement on its website. Shanghai GM is contacting the owners of the Captivas to repair the vehicles, although the company has not yet received any customer complaints about defects, the agency said.

South Korea national oil firm eyes Ghana's Jubilee

South Korea's national oil company is interested in buying a stake in Ghana's giant Jubilee oil field, the Korean firm and Ghana's state oil agency said on Friday. GNPC is in protracted talks to buy the Jubilee stake owned by privately-held Kosmos Energy. A Ghanaian government source said in February the government wants to block a reported deal for Kosmos to sell its interest in the field to Exxon Mobil (XOM.N) for \$4 billion. "(The Koreans) have expressed interest in buying a portion of it if we acquire it," Manu said.

LG see growth, but know rivals are catching

Technology powerhouses Samsung Electronics and LG Electronics reinforced market optimism that strong demand recovery is in place, while cautioning that competition from global rivals is heating up. The comments from Samsung, the world's top maker of LCD flat screens and memory chips and the No.2 mobile phone maker, come as the firm is forecast to report record profit this year, with its key businesses benefiting from an improving global economy. Both Samsung and LG have won market share from Japanese companies such as Sony Corp and Sharp to emerge as global brands, but rivals are restructuring and beefing up their product line-ups.

S Korea rejects threat to assets

SOUTH Korea said on Friday it would only resume tours to North Korea if Pyongyang provided safety guarantees, rejecting the regime's threat to confiscate Seoul's assets at a resort north of the border. The unification ministry, which handles relations with the isolated communist state, expressed deep regret about the North's latest warning, saying it violated international norms and cross-border agreements.

Socio-cultural Façade

Headmasters at Public Schools Asked to Report Assets

Public school principals will likely be asked to report their personal assets. The Anti-corruption & Civil Rights Commission (ACRC) said Sunday it will seek to mandate that all state-run primary and secondary school principals disclose all their personal wealth. The move comes amid an eruption of bribery scandals involving school headmasters and education supervisors. The commission has already notified the Ministry of Education, Science and Technology of its plans.

S. Koreans back death penalty

MORE than 80 per cent of South Koreans support capital punishment, according to a survey published on Sunday and conducted in response to a high-profile rape and murder case. The survey, carried out last Friday by ruling-party thinktank Youido Institute and polling 3,049 adults nationwide, found that 83.1 per cent of respondents supported the death penalty as a deterrent to crime. Only 11.1 per cent were opposed, according to the survey, which had a margin of error of 1.77 per cent, as reported by Yonhap news agency.

Unlocking cancer drug mechanism may avoid risk of birth defects

Scientists have uncovered how a drug used in blood cancer medicines leads to short or missing limbs in babies, moving closer to developing treatments without the risk of such birth defects. Thalidomide, the drug known for causing deformed arms and legs in fetuses, binds with the cereblon protein to inhibit its activity, blocking a process essential to limb development, scientists led by Hiroshi Handa of Tokyo Institute of Technology said in research published in the March 12 issue of the journal Science. Celgene Corp.'s Revlimid and Thalomid, multiple myeloma medicines, are derived from thalidomide. The finding, in a study using zebra fish and chicks, may help expand the use of thalidomide while avoiding the side effects.

Teen Mothers Forced Out of School

Thousands of Korean teenage mothers are being forced to drop out of school every year, the National Human Rights Commission (NHRC) said Tuesday. The number of unmarried teenage mothers has soared to some 5,000 to 6,000 a year and it is increasing every year, NHRC Chairman Hyun Byung-chul said at a National Assembly forum in Seoul. He said the more worrying fact is that most of them have either already left school, or are being forced out on the grounds that they have violated school regulations.

Maternity Leave Numbers Hit Record in January

A record number of parents and prospective parents were on paternity and maternity leave as of January. According to the Korea Employment Information Service (KIES), 21,301 workers were on leave in January, a 50 percent increase from a year ago. The total amount paid out for leave benefits was tallied at 14.9 billion won, around a 4.7 billion increase from a year ago. This is the first time that more than 20,000 people have received the benefits since the system was put into effect in 2001. Workers whose children are under three years old can take up to one-year "paid" leave

Opposition Adopts Free School Lunch as Slogan

Free lunches in elementary and middle schools" has emerged as a popular campaign slogan of the opposition camp for the June 2 local elections. On Wednesday, Lee Jong-kul, a Democratic Party candidate for Gyeonggi Province governor, proposed a bill that would introduce free lunches for all elementary students by 2011 and middle school students by 2012. Lee is finalizing the bill and plans to submit it to the National Assembly by this week. Lee Soo-jung, a Seoul City councilor, says nearly 80 percent of people in the capital city support the provision of free meals. Her figure is based on a telephone survey of 2,179 Seoul residents from March 9 through 14.

School Headmasters to Be Picked From Applications

The country's top educational policymaker said Wednesday the government will pick half of the principals at public elementary, middle and high schools nationwide through applications from teachers. The government plans to create a pool of talented teachers based on their competence and reputation among their colleagues to make the new system successful, said Ahn Byung-man, minister of education, science and technology.

Former Prosecutor to Tackle Corruption in Education Sector

Park Jun-mo new chief inspector general of the Ministry of Education, Science and Technology, has pledged to review unsolved education corruption cases. During an interview with The Korea Times, Wednesday, the prosecutor-turned-inspector said he will look into some of the suspected irregularities in the education sector. He is expected to take up, among other cases, admissions irregularities by Korean students heading to U.S. colleges and the ministry officials who turned a blind eye on the allegations of embezzlement of school funds by Rep. Kang Sung-jong of the main opposition Democratic Party, as well as Korean parents who had their children adopted by U.S. military employees for enrollment into schools on the army base. The ministry's appointment of the former prosecutor is in line with the government's move to root out corruption involving school teachers and education officials.

South Korea green growth to hurt environment: report

A massive river restoration project at the center of South Korean President Lee Myung-bak's green growth strategy will harm globally threatened bird species and destroy critical habitat, a conservation group's report said. Lee's government intends to spend 22.2 trillion won (\$19.68 billion) to dredge, dam and beautify four major rivers with golf courses and bike trails in a plan that is supposed to increase the supply and quality of fresh water and prevent flooding.

Cambodia Forbids Marriage to Koreans

Cambodia has temporarily banned its citizens from tying the knot with Korean nationals, officials at the Korean Embassy in the Southeast Asian country said Friday. On its Web site, the Korean embassy announced that it was notified of the decision by the Cambodian government on March 5 through an official document. According to officials of the embassy, the Cambodian government claimed that the measure was drawn up in line with efforts to prevent human trafficking.

Corruption Scandals Bury Education Reform

Education policy and reform plans of the Lee Myung-bak administration are focusing on two key words — autonomy and competition. Now, these two words are rare commodities in the education sector, which is currently engulfed by a series of corruption scandals, well illustrated

by Kong Jeong-taek, the former top educator of Seoul. Kong, a conservative educator, who saw his tenure cut short and is under investigation. Education Minister Ahn Byong-man and Vice Education Minister Lee Ju-ho were put in charge of leading the reform.

Japan

Politico-Strategic Front

Political funding reforms

At long last, efforts have begun to resolve problems related to political donations. Despite their divergent stances on this matter, the ruling and opposition parties have in principle agreed to begin consultations on discussion of issues related to political funds. Komeito proposes prohibiting political donations by companies and other organizations, including labor unions, and making politicians shoulder more responsibility in supervising official political funds reports — a view basically shared by Prime Minister Yukio Hatoyama.

Emissions bill, urging '11 carbon tax, gets nod

The government formally approved a bill Friday that would aim to slash greenhouse gas emissions by 25 percent from 1990 levels by 2020 on condition that all major emitters set similarly ambitious targets, and introduce a carbon tax next year. The bill on basic policies to curb global warming, adopted at a Cabinet meeting in the morning, also sets an 80 percent emissions cut target for 2050 and calls for measures to realize medium- and long-term goals, including the introduction of an emissions-trading scheme, a carbon tax and the promotion of nuclear energy use. "The greatest aspect (of the bill) is that it stipulates a 25 percent cut," Prime Minister Yukio Hatoyama told reporters.

Okada plans panel to promote disclosure of diplomatic papers

Foreign Minister Katsuya Okada is planning to set up an ad hoc committee in the ministry to promote the disclosure of diplomatic documents, sources said Sunday. The decision to form the committee is expected to be made when a separate Okada-led task force on document preservation and declassification holds its first meeting this week, the sources said. Diplomatic documents can be released to the public 30 years after being drawn up, but various agencies in the ministry typically use their own discretion in releasing documents, leaving many in limbo. The new panel is being sought as part of the DPJ-led government's new policy of openness at the ministry.

Futenma option seen as way to ease Okinawa's overall burden

The proposal to build a replacement base for U.S. Marine Corps Air Station Futenma off the Katsuren Peninsula in central Okinawa Island, stretching from the White Beach Naval Facility to a nearby small island, is the latest idea to be floated in the contentious relocation abyss. A 2006 U.S.-Japan accord calls for Futenma's flight operations to be relocated to Camp Schwab's Henoko coast farther north on Okinawa Island in Nago, but that option, variations on it and other sites have met with both local and Tokyo opposition. But the Katsuren-White Beach plan, which Chief Cabinet Secretary Hirofumi Hirano said Monday was under consideration, appears similar to one originally suggested by Okinawan business leaders over a decade ago. And in the past, the plan had a degree of support from local politicians and Okinawa-based marines that neither Henoko nor any other sites ever enjoyed.

Ishikawa governor is re-elected

Incumbent Masanori Tanimoto, backed by various political parties for his experience in local politics, defeated by a wide margin three rookie candidates in the Ishikawa gubernatorial election Sunday. Tanimoto was backed by both the ruling Democratic Party of Japan and the Liberal Democratic Party, the main opposition force. Tanimoto, 64, received 296,628 votes, according to the local election management committee, beating former DPJ lawmaker Yutaka Kuwabara, 64, who received 105,166 votes, and two others. Voter turnout was 48.13 percent, the lowest on record.

Half-year on, Hatoyama struggling

Scandal, debt abounds; progress on tall-order poll pledges eludes. It's been six months since Prime Minister Yukio Hatoyama and his Cabinet strutted the red-carpet for an inaugural photo session, staging a perfect Hollywood ending to a summer blockbuster election that knocked the Liberal Democratic Party out of almost 50 years of unbroken rule. But those who pinned high hopes on the sequel that had Hatoyama's Democratic Party of Japan following through on its political pledges are quickly being let down, as the DPJ takes baby steps in pursuit of its goals, if that. In terms of its promises, the ruling bloc has little to show for itself so far. The two scandals caused far more damage to the administration and let voters down, he said

Diplomatic challenges also loom for the DPJ.

While claiming ties with Washington are the cornerstone of diplomacy, the relocation of U.S. Marine Corps Air Station Futenma remains a thorny, open question. Hatoyama hopes to convey the government's plan by the end of May, but a pragmatic resolution that satisfies both Okinawa and the United States seems a long shot.

Lower House passes tuition, allowance bills

Legislation moves closer to fulfilling DPJ election pledges. The House of Representatives passed bills at a plenary session Tuesday to provide monthly allowances to families raising children and make tuition free for students at public high schools. The administration of Prime Minister Yukio Hatoyama hopes the package of bills, which, if enacted, will fulfill key promises the Democratic Party of Japan made during last summer's election campaign, will clear the Upper House by the end of March. Meanwhile, the budget for the fiscal year starting April 1, now before the Upper House, is expected to clear that chamber on March 24 or 26 with the support of the DPJ-led coalition, the lawmakers said.

Futenma scuttles visit by Campbell

Assistant Secretary of State Kurt Campbell has canceled his talks with Japanese government officials, scheduled for Wednesday, the U.S. government said Monday, fueling speculation that the decision is linked to a stalemate over the relocation of a U.S. Marine base in Okinawa. Campbell was scheduled to visit Japan during his current Asian trip, which has included stops in Singapore, Malaysia, Laos and Indonesia. With chances for substantive progress on the matter slim in the near term, some observers have interpreted the abrupt cancellation of the visit as a calculated move. Campbell's trip to Japan will be rescheduled for a future date, Assistant Secretary of State for Public Affairs Philip Crowley told a press briefing.

LDP defection not likely to shift power balance

Kunio Hatoyama's exit gives opposition clear deck for attacks, The Monday defection of Kunio Hatoyama from the Liberal Democratic Party has caused a stir in the former ruling party that for most of the postwar era was an electoral juggernaut. But experts and lawmakers say it is unlikely to create a fundamental power shift. The ruling Democratic Party of Japan, for its part, seems less than impressed. The younger brother of Prime Minister Yukio Hatoyama "is touting a change of government, but he probably means a realignment of the LDP," DPJ Diet Affairs Committee Chairman Kenji Yamaoka told reporters Tuesday. The veteran lawmaker insisted the DPJ is unaffected by the younger Hatoyama's decision, and maintained the ruling bloc is untroubled by strife in the opposition.

LDP rebels talk

Former Finance Minister Kaoru Yosano, a veteran lawmaker of the Liberal Democratic Party who is critical of the top opposition party's leadership, held talks Tuesday with former internal affairs minister Kunio Hatoyama, who resigned from the LDP the previous day.

Foreign Ministry task force studies ways to improve document disclosure

The Foreign Ministry launched a task Tuesday force to discuss ways to improve the disclosure and management of diplomatic records after a recent investigation into Japan-U.S. secret pacts highlighted problems in the handling of such documents. Foreign Minister Katsuya Okada said after the task force met for the first time that he hopes to draw a conclusion on the issue before the July House of Councilors election. The task force, headed by Okada, may craft an ordinance to enable diplomatic documents that have been kept undisclosed for 30 years or longer to be released to the public in principle. It will also consider how to improve management of such documents and reinforcing the diplomatic record disclosure system by increasing the number of staff handling the task.

In-country nukes a crisis option: Okada

Foreign Minister Katsuya Okada on Wednesday did not rule out the possibility nuclear weapons may be brought into Japan by U.S. forces in a future crisis, while reiterating that the government still adheres to the nation's three nonnuclear principles.

Clinton, Okada to meet this month

U.S. Secretary of State Hillary Rodham Clinton will meet with counterpart Katsuya Okada in Washington or Canada in late March during his trip to a Group of Eight foreign ministerial gathering, a senior State Department official said Tuesday. Assistant Secretary of State for East Asia and Pacific Affairs Kurt Campbell unveiled the plan as he met reporters at Dulles International Airport on the outskirts of Washington on his return from an Asian tour. If realized, it will be the first meeting since Clinton and Okada held talks in Hawaii in January when the two leaders agreed to further deepen the bilateral alliance as it marks its 50th anniversary this year. Clinton and Okada are expected to discuss the relocation of a U.S. Marine base in Okinawa and the strengthening of bilateral ties.

Roberts says Broncos have underachieved

Three teams are in the hunt for the Eastern Conference's fourth and final playoff berth. But in a month a clearer picture should emerge as to which team will be the favorite. Right now, though, the Toyama Grouses (14-22), Saitama Broncos (13-24) and Tokyo Apache (13-24) all have a legitimate shot at earning a playoff spot. The Tokyo-Saitama series began on Wednesday and wrapped up on Thursday at Yoyogi National Gymnasium No. 2. The Broncos, coming short on a spirited fourth-quarter comeback, dropped the opener 88-82. It was their 12th single-digit loss of the season, and their fourth loss in five games against Tokyo. Call it a microcosm of the Broncos' entire season.

Okada, Kouchner talk Iran, N. Korea

Foreign Minister Katsuya Okada met Thursday with his French counterpart, Bernard Kouchner, ahead of a Group of Eight meeting in Canada later this month and said the two shared "serious concerns" over Iran's nuclear program. Okada also told the French foreign minister that Japan hopes to join an international treaty over child custody as early as possible to address custody problems involving Japanese and non-Japanese parents. Japan has been criticized for shielding Japanese parents who abduct their children from their homes overseas and bring them to Japan. The foreign ministers also discussed the situation in North Korea during their talks in Tokyo, with Kouchner telling Okada that although France plans to open a nongovernmental office in Pyongyang, it has no intention of establishing diplomatic ties with North Korea at present. On the Iranian nuclear issue, Okada said: "We shared serious concerns. We also agreed that we have to stand strong over this issue." France is the only major country in the European Union that does not have diplomatic ties with North Korea.

Axed DPJ exec calls again for Ozawa to go

Democratic Party of Japan Vice Secretary General Yukio Ubukata on Friday called again for Ichiro Ozawa, the party's scandal-tainted No. 2, to step down, a day after the party decided to dismiss him from his party post for criticizing Ozawa and the leadership.

Nuke pact files may have been chucked

Ex-key diplomat testifies about missing documents, A former senior Foreign Ministry official testified Friday in the Diet that key documents related to the secret nuclear pacts between Japan and the U.S. that he had filed were missing, and suggested they were deliberately destroyed. Kazuhiko Togo, a former Foreign Ministry Treaties Bureau chief, and three others were called to give unsworn testimony before the Diet. This is the first time witnesses have been called to testify about the nuclear deals, which the government routinely denied existed until the Democratic Party of Japan last year ousted the long-ruling Liberal Democratic Party and the new administration ordered a probe into the pacts. The testimony follows a recent report compiled by a government panel that determined that three out of four alleged secret accords indeed existed, including one allowing port calls by U.S. ships carrying nuclear weapons without prior consultation, in violation of Japan's official nonnuclear principles.

Economic Frontage

January output revised upward

The government Friday revised upward industrial output data for January, saying production at factories and mines grew 2.7 percent from the previous month, compared with an earlier reported 2.5 percent rise. The revision was largely due to upgraded figures from transport equipment

makers, including carmakers, and in the chemical industry, said the Ministry of Economy, Trade and Industry. The output index rose for the 11th consecutive month to 92.1, against a base of 100 for 2005

Suspect Prius eludes Fed, Toyota testers

Investigators with Toyota Motor Corp. and the federal government were unable to make a Toyota Prius speed out of control as its owner said it did on a California freeway, according to a memorandum obtained Saturday by AP that a congressional spokesman says casts doubt on the driver's story. James Sikes, 61, called police on March 8 to report losing control of his Prius as the hybrid reached speeds of 151 kph. A California Highway Patrol officer helped Sikes bring the vehicle to a safe stop on Interstate 8 near San Diego. Federal and Toyota investigators who examined and test-drove the car could not replicate the problems Sikes said he encountered, the memo said. Sikes could not be reached to comment. However, his wife, Patty, said he stands by his story.

China also opposes tuna ban

JAPAN on Tuesday said it has China's support in opposing a global ban on trade in Atlantic bluefin tuna that is now being debated at an international meeting in Qatar. Agriculture, Forestry and Fisheries Minister Hirotaka Akamatsu said that 'we will do our best' to block a trade ban, which has US and European Union support, at the world talks on wildlife protection. 'China has not announced its stance officially, but is actively lobbying other countries to oppose' the ban, Mr Akamatsu told reporters in Tokyo. 'There also are countries which are neutral or wavering,' he added.

8k orders for CR-Z sports hybrid

HONDA Motor Co said on Tuesday it had received about 8,000 orders for the CR-Z sporty hybrid car in Japan after less than three weeks on the market, or eight times the monthly sales target of 1,000 units. The two-door compact, which went on sale in Japan on Feb 26, is the second in a line of low-cost hybrid cars from Japan's No. 2 automaker and is scheduled for launch in North America and Europe this summer. Honda has said it expects to sell 40,000-50,000 of the CR-Z a year worldwide.

Toyota eyes German car race

Toyota Motor Corp. President Akio Toyoda is considering taking part in a 24-hour endurance race in Germany in mid-May as a member of the Lexus LFA supercar's racing team, as he did last year, Toyota officials said Monday. Toyoda, who is spearheading the automaker's efforts to regain consumer trust in its vehicle quality after a series of safety problems, may take the wheel if Toyota's global recalls continue as planned, industry observers said. Earlier in the day, the

automaker announced a list of seven drivers for its racing team for the 38th endurance race at the Nurburgring Circuit from May 13 to 16.

JAL taps pilots for early retirement

Struggling Japan Airlines Corp. offered an early retirement program for pilots Tuesday as part of its downsizing plans for rehabilitation under court protection from creditors. In the first early retirement program for pilots since its integration with Japan Air System Co. in 2002, JAL will accept voluntary retirement applications from pilots aged 35 and over from March 18 through April 16, the carrier said.

Kan to BOJ: work with us to curb deflation

Finance Minister Naoto Kan repeated a plea for the Bank of Japan to work with the government on reversing a decline in prices that threatens the economic recovery. "Fiscal policy focusing on stimulating demand will have some impact against deflation," Kan said in the Diet as the BOJ began a two-day meeting in Tokyo. "The central bank can make an inflationary impact with monetary policy." Kan has been pressing the BOJ to do more as his ability to spur the recovery is constrained by a public debt burden that's approaching 200 percent of gross domestic product. BOJ Gov. Masaaki Shirakawa and his colleagues will expand a ¥10 trillion credit program for lenders at the meeting, according to 12 of 17 economists surveyed by Bloomberg. National strategy minister Yoshito Sengoku also urged the central bank to consider ways to support an economy as it tries to rebound from its deepest postwar recession.

More funding?

The Bank of Japan began a two-day Policy Board meeting Tuesday, with market players closely awaiting its decision on whether to ease its ultraloose monetary policy further to combat deflation, and if so, what measures it will take. The BOJ is widely expected to keep its key interest rate on hold at 0.1 percent, the level it has maintained since December 2008. The economy has been showing signs of a recovery, with real gross domestic product expanding at a 3.8 percent annualized pace in the last quarter of 2009, but prices have continued to fall. The core consumer price index, which strips out volatile fresh food prices, fell in January for the 11th consecutive month.

Deepen US-ASEAN ties

THE United States should deepen its trade and investment ties with South-east Asia as there appears to be a growing disconnect between its strategic and its economic presence in the region, Deputy Prime Minister Teo Chee Hean has said. 'There is a 'de-sync' between what is happening in the strategic arena and what is happening in the economic arena,' he noted in a speech at the Centre for Strategic and International Studies (CSIS), a prominent think-tank in Washington, on

Monday. 'While the United States remains an important strategic partner for many Asean countries, China is overtaking the US in terms of trade and investment ties.' In the past six to seven years, for instance, the US has slipped from being Asean's top trading partner to being No. 4 in the rankings currently.

BOJ frees up cash, keeps rate

JAPAN'S central bank doubled the amount of cash it would make available to banks on Wednesday while keeping interest rates at a record low as it tries to kickstart a stuttering economic recovery. Under government pressure to help fight deflation, the Bank of Japan said it would extend emergency steps taken in December by boosting its short-term loan facility to 20 trillion yen (S\$307.3 billion).

Fed action boosts markets

THE US Federal Reserve's decision to keep interest rates low for some time and an anticipated further loosening of monetary policy by the Bank of Japan helped Asian stocks higher on Wednesday. There was also some cheer from Europe, where the threat of a downgrade for Greece's debt rating was lifted, while European Union finance chiefs backed a plan to help the troubled nation. Tokyo shares were 0.69 per cent higher by the break, while Hong Kong was up 0.74 per cent and Sydney added 0.73 per cent.

TOKYO

Japan's Nikkei stock index rebounded to an eight-week high on Wednesday as investors took heart from further monetary easing steps by the nation's central bank. The benchmark Nikkei 225 stock index rose 125.27 points, or 1.2 per cent, to 10,846.98, the highest finish since Jan. 21. The broader Topix index gained 1 percent to 947.43.

No rethink of SDF arms constraints

Prime Minister Yukio Hatoyama said Wednesday he has no intention of rethinking restrictions on weapons use by Self-Defense Forces elements deployed to U.N. peacekeeping operations. Under the current interpretation of the law enabling the deployment of the SDF and other personnel for U.N. peacekeeping activities, use of weapons is limited to self-defense.

Nissan Leaf electric car to be built in Sunderland

Nissan's Leaf is expected to guarantee employment for hundreds. Nissan is to build its new electric car - the Leaf - at its Sunderland plant, the Japanese company has announced. Hundreds of jobs are expected to be safeguarded once production begins in 2013 - part of a £420m investment in electric cars. The investment is backed by a £20.7m government grant and up to £220m from the European Investment Bank. Nissan had already said that it would invest some

200m euros in a battery factory near its Sunderland manufacturing plant, yet it was never a given that the company would produce its Leaf electric car here too. Its investment in the region is now set to double. But in the end, the right to produce the car and thus secure thousands of jobs in an otherwise economically depressed region was earned by the Nissan factory's management and workers. Why Sunderland got the Leaf The North East eyes low carbon future Trevor Mann at Nissan said the government had played "quite a significant role" in the carmaker's decision to build the Leaf in Sunderland. Sunderland had already been named as the site to produce Nissan's electric car batteries, creating 350 new jobs. About 60,000 batteries will be made there when production begins next month. The car battery programme has already seen Nissan invest £179m there. Last year, Nissan's chief executive Carlos Ghosn underlined his company's commitment to its electric cars programme.

100,000 postal temps may win option of becoming regular employees

Japan Post Holdings Co. is considering giving regular employment status to about 100,000 of its groups' nonregular workers over a five-year period starting in April, sources said Wednesday. The five group firms had around 437,000 workers as of last October, and about 200,000 of them were nonregular employees. If realized, the plan would expand personnel costs by about ¥300 billion annually, the sources said.

Honda brake recall targets 412,000 U.S. vehicles

Honda Motor Co. said Tuesday it will recall about 344,000 Odyssey minivans and 68,000 Element small trucks due to a brake problem. American Honda Motor Co. said the company filed the recall with the National Highway Traffic Safety Administration, citing complaints from customers who said brake pedals feel "soft" or that their distance from the floor when depressed gradually decreases. In the affected vehicles — made for the 2007-2008 model years — the problem worsens very slowly, eventually requiring the driver to press the pedal close to the floor, Honda said.

Toyota won't race at Nurburgring

Toyota Motor Corp. said Wednesday that President Akio Toyoda has decided not to take part in this May's 24-hour endurance race in Germany as a member of the Lexus LFA supercar's racing team. Toyoda himself disclosed the decision Monday night in an entry of his blog called, "Driver Morizo's Blog." The automaker's public relations department confirmed Wednesday that the company's president does not intend to participate in this year's race.

GM Holden recalls 9,000 cars

GENERAL Motors' Australian subsidiary GM Holden on Thursday recalled 9,000 Cruze sedans over a faulty fuel hose, after a raft of damaging glitches hit Japan's Toyota and Honda. A

company spokesman said some of the hoses on 1.8-litre MY10 JG Cruze models had sprung a leak, and some owners may notice leaking fuel, a petrol smell or loss of power. No accidents or injuries have been reported. Honda has also recalled hundreds of thousands of vehicles over substandard brakes, exploding airbags and power windows which risked catching fire.

Panasonic's 3-D gamble pays off in U.S.

Panasonic Corp. said its 3-D TVs sold out in the U.S. in their first week, raising optimism the technology that helped the film "Avatar" break records at the box office will extend to living rooms and help boost profits. The shortage is prompting the world's largest plasma TV maker to take back-orders from retailers, Hitoshi Otsuki, the senior managing director heading Osaka-based Panasonic's overseas operations, said in an interview Tuesday in Tokyo. He declined to specify figures. "It's a great opportunity to turn around our TV business," he said.

Japan Tobacco eyes India to offset shrinking market at home

Japan Tobacco Inc., the world's third-largest publicly traded cigarette maker by volume, wants to expand production in India as the smoking rate declines in its home market. The company has been waiting for government approval to make additional investments in its venture in India since June 2008, Executive Deputy President Masakazu Shimizu said Tuesday in Tokyo. "It's to expand production and sales locally," he said, declining to provide details or the planned investment amount. The Tokyo-based maker of Mild Seven cigarettes is boosting overseas sales as a declining smoking rate and higher taxes stifle demand in Japan. India has about 120 million smokers, more than four times the number in Japan.

Japan Kamei: No guarantee credit rating firms are fair

Japanese Banking Minister Shizuka Kamei blasted credit rating firms on Friday, saying there is no guarantee that their ratings are fair and neutral

2010 auto sales to hit 33-year low

Domestic sales of cars, trucks and buses in fiscal 2010, beginning in April, are expected to drop 4.9 percent from the previous year to a 33-year low of 4,649,600 units, the Japan Automobile Manufacturers Association said Thursday. It would be the lowest level since around 4.23 million units were sold in fiscal 1977, with demand expected to taper off after government subsidies for fuel-efficient vehicles expire in September.

Honda looks to give hybrids a lithium-ion charge

Honda Motor Co., the nation's second-largest carmaker, plans to introduce lithium-ion battery-powered hybrid cars as it struggles to narrow Toyota Motor Corp.'s lead in sales of gasoline-electric cars. Honda plans to use lithium-ion batteries in its Civic compact "within the next two

to three years," as well as in its Acura luxury cars and other models, Executive Vice President Koichi Kondo said earlier this week. Honda has failed to match Toyota's success with hybrids, led by the top-selling Prius. Lithium-ion batteries can store as much as twice the energy of the nickel-metal hydride batteries that currently power the Prius and Honda's Civic, Insight and CR-Z hybrid models, said Takeshi Miyao, a supply-chain analyst for auto consultant Carnorama in Tokyo.

BOJ loan program likely to please politicians more than deflation foes

The Bank of Japan's decision to double the size of a liquidity program for banks may prove more effective in placating the government than stemming deflation. The bank Wednesday increased its three-month lending facility for banks to ¥20 trillion, a "monetary easing" that may help reduce borrowing costs and bolster corporate sentiment, BOJ Gov. Masaaki Shirakawa said at a Tokyo press briefing. There's little sign that the initial effort helped the economy: Bank lending has fallen for three straight months, prices took a record tumble and wages dropped. Where the initiative did win plaudits is among politicians — Prime Minister Yukio Hatoyama, whose ruling Democratic Party of Japan faces a July Upper House election as his poll numbers subside, welcomed the move.

DPJ caught on the horns of a fiscal dilemma

While the Democratic Party of Japan-led government secured the passage of the ¥92.3 trillion fiscal 2010 budget this month, the party still faces a fiscal dilemma given its election pledge to realize ¥16.8 trillion worth of policy measures at a time when social security costs are ballooning. Analysts are concerned how the DPJ will address the potential crisis, especially with attention focused on the economic debacle overwhelming Greece recently. For fiscal 2010, the DPJ set a child allowance of ¥13,000. Due to the severe fiscal conditions, the party gave up or scaled down some of its campaign pledges, one of which was to eliminate the ¥2.5 trillion annual gasoline tax. Prime Minister Yukio Hatoyama appears to be caught between piling up JGBs and delivering on the party's campaign pledges.

IBM Japan disputes ¥30 billion back tax

IBM Japan Ltd. is suspected of failing to declare more than ¥400 billion in income through the use of the so-called tax consolidation regime, sources said Thursday. The amount of income allegedly undeclared by the group is believed to be the largest ever, they said. The National Tax Agency is expected to impose more than ¥30 billion in back taxes, the sources said. IBM Japan, a wholly owned company of IBM AP Holdings, has acknowledged receiving a notice from tax authorities about the correction of the group's income. IBM AP Holdings is a wholly owned subsidiary of IBM Corp. of the United States.

Socio-cultural Façade

Japan's first Spelling Bee winner bound for U.S. finals

Students from international schools across the country competed Saturday in Japan's first-ever Spelling Bee, battling to correctly spell English words and book a ticket to the finals in the United States. Sonia Ann Schlesinger, 13, emerged as the winner among the 55 contestants aged 6 to 14 from 28 international and U.S. military base schools. The competition was hosted by The Japan Times under authorization from E.W. Scripps Co., which organizes the annual National Spelling Bee contest in Washington, D.C.

Billions spent on flu shot oversupply

Japan has a surplus of 99 million shots of imported H1N1 flu vaccines, bought for ¥112.6 billion, health ministry officials said Saturday. The Health, Labor and Welfare Ministry is negotiating the cancellation of part of the purchases with GlaxoSmithKline PLC of Britain and Novartis AG of Switzerland. The government concluded the purchase contracts last October under the premise that two shots would be necessary for one person, but the number of necessary shots was later revised to one in most cases.

Child-allowance, tuition-waiver bills clear panel

Parliamentary panels Friday endorsed a bill to provide child-rearing allowances and another to waive tuition at high schools, upholding key pledges the ruling Democratic Party of Japan made in last year's election campaign. The House of Representatives Health, Labor and Welfare Committee approved the bill to offer parents ¥13,000 a month for each of their children of junior high school age or younger in fiscal 2010, which starts April 1. The Japanese Communist Party also supported the bill, while the Liberal Democratic Party, the main opposition force, was against it.

Include pro-North schools in tuition waiver: U.N. panel

A U.N. panel monitoring racial equality and nondiscrimination expressed concern Tuesday about Japan's possible exclusion of pro-Pyongyang schools for Korean residents from its planned tuition waiver program for public high school students. In a report, the U.N. Committee on the Elimination of Racial Discrimination said it "expresses concern about acts that have discriminatory effects on children's education, including . . . the approach of some politicians suggesting the exclusion of North Korean schools" from the program. The panel urged Tokyo to "ensure that there is no discrimination in the provision of educational opportunities."

Ambassadors urge action on child abductions

Japan should sign the Hague Convention on the Civil Aspects of International Child Abduction and act to resolve its current cases by enabling parents left out in the cold to contact their spirited-away offspring, eight ambassadors in Tokyo said in a joint statement Thursday. The ambassadors of Australia, Canada, France, Italy, New Zealand, Spain, the United Kingdom and the United States issued the statement after a two-day closed symposium on international parental child abduction, which often involves ex-spouses who commandeer custody of offspring, sometimes in defiance of overseas court rulings, and take their children abroad. The objective of the treaty is to promptly return offspring, who have been "wrongfully removed," back to "their habitual country." There are currently 82 member states of the convention, and Japan and Russia are the only two Group of Eight nations that are not signatories.

3 transsexuals arrested

THREE Philippine nationals have been arrested in western Japan for entering the country on forged women's passports after undergoing sex change operations, local media reported on Tuesday. The three had the illegal passports made by forgers in the Philippines using women's identification so that they could live in Japan as the 'wives' of Japanese men they had met, Kyodo News said.

Takeda drops application for diabetes drug in Europe

Takeda Pharmaceutical (4502.T), Japan's No.1 drugmaker, said on Friday it has withdrawn its application for approval to market in Europe a new version of its combination treatment for type 2 diabetes. Takeda said it will no longer develop the prolonged-release version of Competact in Europe, after authorities there said they were unlikely to approve the experimental drug due to a lack of data on its long-term effects. Takeda is looking to prevent a possible earnings slump after the U.S. patent for Actos expires in January 2011. Shares of Takeda closed up 0.95 percent at 4,260 yen ahead of the announcement

Toyota seeks retraction, apology from ABC News

Toyota Motor Corp. asked ABC News on Thursday to retract and apologize for an "irresponsible" report it aired last month suggesting electronics as the cause of sudden acceleration in its cars. The world's largest automaker is working to repair its reputation after recalling about 8.5 million vehicles worldwide to fix defects linked to bursts of speed. Toyota has said mechanical flaws, such as accelerators that stick or snag on floor mats, are at fault in sudden acceleration, with no evidence of failures in the electronic-control systems of its cars and trucks. An ABC News report on Feb. 22 challenged that assumption.

L.A. jailers cleared in Miura death: DA

Nearly 1 1/2 years after murder suspect Kazuyoshi Miura died inside a Los Angeles jail, the county's district attorney's office released a report that cleared the detention officers and jail personnel of any wrongdoing. The review, released Wednesday and dated Jan. 4, was conducted by the Justice System Integrity Division of the district attorney's office. It states there was no evidence the detention officers or jail personnel used force against Miura, who was 61 at the time of his death. It also cleared them of any intent to cause Miura's death, or actions carried out in an "aggravated, reckless or flagrant manner." The district attorney's office declined to initiate criminal proceedings based on the evidence.

Being low-paid male temp probably spells bachelorhood

Being a temp comes with a number of drawbacks: a lack of job security, often low pay — and if you're a man, anyway, little chance of tying the knot. So says the latest labor ministry survey, released Wednesday, which found that out of some 700 single, male temporary workers aged 20 to 34 who responded, only 17.2 percent of them got married between 2002 to 2008, while the marriage rate for male regular employees was nearly double that at 32.2 percent, according to the survey. The Health, Labor and Welfare Ministry sent questionnaires to 33,689 men and women in 2002, of which 82.8 percent responded. The same questionnaires were sent to 16,793 people in 2008, with 91.3 percent responding.

Elementary school teacher gets 30 years for raping pupils

The Hiroshima High Court sentenced a 44-year-old former elementary school teacher Thursday to 30 years in prison for raping and performing lewd acts on at least 10 pupils. In imposing the maximum term of imprisonment for a definite period under the law, the high court said Naoki Morita, who was sacked as a public school teacher in Hiroshima Prefecture after his arrest, "took advantage of the innocence of the victimized girls and toyed with them, betraying public trust in teachers with the monstrous crimes."

Fatal nursing home blaze spurs raids

Police on Sunday raided locations linked to a deadly blaze in Sapporo that killed seven nursing home residents the previous day. The fire at Mirai Tonden nursing home, which is being investigated as a case of negligence resulting in death, prompted police to send investigators Sunday to the home of Michinori Taniguchi, who is the president of Mirai 25, which runs the facility. Before the raid, Taniguchi told reporters he wanted to apologize to relatives of the victims. He also denied that Mirai Tonden lacked proper fire-prevention plans and equipment.

South Korea

Politico-strategic front;

Detailed News:

(The Korea Times) NK Issues Ultimatum on Tour Program

North Korea has issued an ultimatum to South Korea, threatening to terminate its contracts on joint tour programs with a South Korean firm, a pro-Pyongyang journal said.

The ultimatum came out Sunday after the North threatened on March 4 to nullify its contracts with Hyundai Asan in the South for tours to Mt. Geumgang and Gaeseong, both in the North, unless the South's Lee Myungbak administration quickly resumes the tourism programs suspended two years ago after the shooting death of a South Korean tourist.

“It was the last opportunity and warning against the South Korean government,” Unification News, a weekly journal, reported in its March 13 issue, posted Sunday on the Web site “Uriminzokkiri.”

The publication underlined that the South should not ignore its warning.

“The South should pay attention to the remarks of the spokesman for the North's Asia-Pacific Peace Committee (APPC) if it does not want to put inter-Korean relations to an irrevocable and a full confrontational stage,” the weekly said.

An unidentified APPC spokesman said that if the South Korean government continues to block travel routes while making false accusations, the North will be left with no choice but to take extreme measures.

The spokesman also expressed the North's willingness to unilaterally call off contracts and freeze South Korean property in the North if the South fails to meet its demands.

Officials from South and North Korea held a fresh round of talks early last month, but failed to reach an agreement on measures that will ensure the safety of South Korean tourists traveling to the communist nation.

Seoul has been also demanding that Pyongyang apologize for the death of the female South Korean tourist at the Mt. Geumgang resort in 2008.

However, Pyongyang claims that it has already provided a full explanation on the shooting and promised that such incidents would never take place again, the two conditions Seoul had requested before the tours can be resumed.

(The Straits Times) S. Korea will maintain stimulus

SEOUL - SOUTH Korea will not change policies designed to stimulate the economy until at least November when it hosts a G-20 summit, Finance Minister Yoon Jeung-Hyun said.

Mr Yoon, in an interview with Monday's Dong-A Ilbo newspaper, said a decision on an exit strategy would be made that month. 'We, as host of the G-20 summit responsible for the international coordination of exit strategies, will maintain current (loose fiscal) policies at least until then.'

The minister's office confirmed his remarks. In a later statement, the ministry said there was no specific timing for an exit strategy, which would be decided by taking many factors into consideration.

South Korea hosts leaders of the Group of 20 advanced and developing nations in Seoul on November 11-12. It will be the second G-20 summit this year after one in Toronto on June 26-27.

In the face of the global downturn, Asia's fourth largest economy adopted aggressive government stimulus spending. In addition, the independent Bank of Korea slashed interest rates between October 2008 and February 2009. They have remained at a record low 2.0 per cent since then.

South Korea recovered from the downturn faster than expected, partly thanks to the stimulus measures, but recent data shows the momentum may slow. The economy grew 0.2 per cent quarter-on-quarter in the three months to December 2009, down from a 3.2 per cent gain in the previous quarter. -- AFP

(The Korea Times) Cabinet Approves Revised Sejong Plan

The Cabinet approved the revision of the Sejong City project Tuesday despite diehard opposition from a large number of lawmakers, including the governing party's second-biggest faction and the main opposition party.

The government will submit the revision bill late this month for National Assembly approval after getting the nod from President Lee Myung-bak, said the Office of the Prime Minister.

The revision plan is to transform Sejong City in South Chungcheong Province, initially designed as an administrative complex, into a business hub housing firms, universities and science institutes.

The move is expected to draw a strong backlash from opposition parties and add fuel to the factional feud within the Grand National Party (GNP), with the June 2 local elections approaching.

Opposition parties and a GNP faction led by its former Chairwoman Rep. Park Geun-hye, a favorite for the next presidential election, have criticized the revision and demanded that President Lee stick to the original plan.

The Cabinet endorsement came about two months after Prime Minister Chung Un-chan announced the plan to change the administrative town project, which had been underway since the legislature passed it in 2005 while Lee's liberal predecessor Roh Moo-hyun was in office.

Roh committed suicide last May while undergoing a corruption investigation involving his relatives and former aides.

Analysts say the ruling party will fail to get parliamentary approval for the revision without getting support from Park, leader of the second-largest faction in the GNP after President Lee.

The GNP holds 169 seats in the 299-member legislature, so it can only secure a majority of votes to pass the bill when Park and her some 50 affiliated lawmakers cooperate.

Under the revised plan, the government can spend more than 8.5 trillion won (\$7.6 billion) to build industrial, educational and science infrastructure inside Sejong City. The administration officially scrapped the initial plan to move nine ministries and four government agencies into the city.

Private firms and universities will be allowed to use the land for their own purposes without the government's intervention.

Technology firms based in Sejong will enjoy a full exemption of income and corporate taxes for three years, a 50-percent cut in taxes for the following two years. Additionally, they won't have to pay property taxes for 15 years.

Financial incentives were also planned for those who relocate offices to the envisioned town.

According to the government, a total of 18 trillion won will be invested in Sejong by 2020 to create more than 250,000 jobs.

Samsung Group will invest 2.05 trillion won to build facilities for its solar energy, fuel cell battery, LED television and bio-health care businesses.

Other major corporate investors also include Hanwha (1.33 trillion won), Lotte (100 billion won) and Woongjin (900 billion won).

(The Korea Times) Korea Ranks 3rd in Arms Imports

South Korea was the world's third-largest arms importer in the five years from 2005 and was also the largest customer for U.S. weapons systems, a research group said Tuesday.

The Stockholm International Peace Research Institute (SIPRI) reported that the United States remained the biggest supplier of conventional weapons.

China was the biggest arms buyer during the period, accounting for 9 percent of total imports, followed by India with 7 percent, according to the report titled "Trends in International Arms Transfers 2009."

South Korea and the United Arab Emirates (UAE) were in a tie for third place, each accounting for 6 percent.

Korea was also the largest customer for American weapons, with 14 percent of U.S. arms exports bound here during the period.

Other big buyers of U.S.-made weapons were Israel and the UAE, the study shows.

South Korea faces a nuclear-armed North Korea across the world's most heavily fortified border. The two sides are still technically at war as the 1950-53 Korean War ended in a truce, not a peace treaty.

Unveiled in 2005, Seoul's Defense Reform 2020 plan calls for equipping its armed forces with high-tech weapons systems to fill a projected manpower gap. Under the military modernization plan, South Korean troop strength will be cut from 690,000 to 510,000 by 2020.

The report says the United States accounted for 30 percent of global arms exports, followed by Russia with 23 percent, Germany with 11 percent and France with 8 percent.

U.S.-produced weapons accounted for 66 percent of arms imported by South Korea, followed by Germany (20 percent) and France (10 percent).

The total volume in conventional weapons trade rose 22 percent in 2005-2009 compared to the previous five-year period, with China and India being the biggest importers of these weapons, the report showed.

Combat aircraft accounted for 27 percent of the total volume of trade in conventional arms during the period, with the United States selling 72 F-16 jets to the UAE and 40 F-15 jets to South Korea, it said.

Referring to fighter jets, the group noted that orders and deliveries of these ``potentially destabilizing" weapon systems have led to arms race concerns in the Middle East, North Africa, South America, South Asia and Southeast Asia.

SIPRI, established in 1966, is an independent international institute dedicated to research on conflict, armament, arms control and disarmament.

The institute's data on global arms transfer is a fully searchable on-line database containing information on all international transfers in seven categories of major conventional weapons from 1950 to the most recent full calendar year.

(The Korea Times) NK to Allow Access to Detained US Citizen

North Korea has granted Swedish diplomats consular access to an American citizen who has been detained since January for allegedly illegally entering the country, the U.S. State Department said Monday.

"We can confirm that on March 14, the DPRK granted the Swedish Embassy, our protecting power, consular access to a detained U.S. citizen," State Department spokesman Philip Crowley said. The Democratic People's Republic of Korea (DPRK) is North Korea's official name.

Crowley declined to give any additional information about the detainee. The government of Sweden, through its embassy in Pyongyang, represents U.S. interests in North Korea as the United States does not maintain a diplomatic presence there.

The North said in late January the American was being held for ``trespassing" into the country via its border with China and is being questioned.

In early February, the North released another American, missionary Robert Park, who was detained after crossing into its territory in an effort to draw international attention to its human rights abuses. The 28-year-old has yet to issue a public statement since his release.

In a separate case, two American journalists were released by the North in August after being held for entering the country while reporting for an independent U.S. cable television network.

They were freed soon after former U.S. President Bill Clinton arrived in Pyongyang for talks with North Korean leader Kim Jong-il.

(The Korea Times) 'Kim Jong-il Has Only 3 Years Left to Live'

A senior U.S. official has said North Korea's aging leader Kim Jong-il appears to have only three more years to live, according to Yonhap News Agency, Wednesday.

U.S. Secretary of State for East Asian and Pacific Affairs Kurt Campbell made the remark in a closed-door meeting during his trip to Seoul last month, officials were quoted as saying by Yonhap.

On Feb. 3, Campbell invited a group of North Korean defectors and politicians, including Rep. Park Sun-young of the Liberty Forward Party and former Democratic Party Chairwoman Chang Sang to the U.S. Embassy, to discuss the political situation and power succession in the communist North.

Also present were U.S. Ambassador to South Korea Kathleen Stephens and online newspaper Daily NK publisher Han Ki-hong.

Asked how much longer the 68-year old North Korean leader would live, one forecast five years, while another guest predicted less than that, a participant said on condition of anonymity.

He said Campbell noted that the latter's prediction would be more accurate, claiming Kim may only live three more years based on a comprehensive collection of medical analyses.

The deteriorating health of the reclusive leader has often been the center of international media attention since Kim allegedly had a stroke in 2008.

Early this month, medical doctors here analyzed photographs of Kim and concluded that he is suffering from kidney problems.

They said pictures of Kim taken since April last year display common symptoms of renal disease -- abnormally white fingernails and dark hands.

During the meeting, Campbell also reportedly said the transfer of power in the North would be "totally different," compared to when Kim Jong-il took over from his father.

The U.S. diplomat underlined that Kim spent a decade under his father Kim Il-sung, who founded the Stalinist regime, to learn the ropes, whereas Jong-un, who is known to be only 26, has undergone no such training.

Campbell also expressed concern on uncertainties lying over the looming power change, saying a rapid handover of power to Jong-un may spark political chaos in the North.

(Reuters) North Korea executes official for blunder

SEOUL (Reuters) - North Korea has executed a ruling party official blamed for a botched currency reform, in a desperate attempt to quell public unrest and stem negative impact on Pyongyang's power succession, a news report said on Thursday.

The execution by firing squad in Pyongyang last week of Pak Nam-ki, Labour Party chief for planned economy, was for the crime of "a son of a bourgeois conspiring to infiltrate the ranks of revolutionaries to destroy the national economy," South Korea's Yonhap news agency said, quoting sources.

But both North Korean officials and even many in the communist country's public do not believe the explanation that Pak was a conspiring anti-revolutionary, Yonhap quoted sources knowledgeable about the issue as saying.

"The mood is the leadership has made Pak Nam-ki a scapegoat," one source was quoted as saying.

The unrest, triggered by sharp price increases in the marketplace amid confusion caused by the late November currency revaluation, forced the North to take some steps to roll back its effect.

Analysts said that showed the North was under intense pressure to relieve problems that could upset the stability of the leadership.

North Korea, poorer since leader Kim Jong-il took power in 1994, is reeling under the loss of international aid and under U.N. sanctions imposed last year for a nuclear test, and has indicated it might return to the nuclear disarmament talks it has boycotted.

Kim is believed to be in poor health, which means there is a rush to prepare one of his sons for succession, South Korean officials and analysts said.

The last straw for Pak's fate was the perception the policy blunder was going to affect the succession process, Yonhap said.

South Korea's defense minister said on Wednesday that Kim was struggling to keep the North under control as he tried to ensure the succession of power to his youngest son. But there is public unrest in the aftermath of the currency measure, which built on prevalent general social discontent.

The U.N. sanctions were aimed at cutting into the North's illicit arms trade. They also increased the apprehension of already skittish investors about doing business with the mercurial state.

The North's abrupt currency move was aimed at cutting into the power of a burgeoning merchant class. But it destabilized the North's won currency, sparked rare social unrest and slowed the flow of consumer goods from China to a trickle, reports said.

(The Korea Times) Unification of Koreas Tagged at \$1.7 Tril.

Charles Wolf,

Adviser at RAND Corporation

A U.S. economist has estimated that the costs of the unification of the two Koreas would be \$1.7 trillion, nearly twice South Korea's gross domestic product (GDP). The South's nominal GDP for 2009 stood at \$930 billion.

In a Forbes commentary posted Monday, Charles Wolf, a senior economic adviser at the RAND Corporation, projected the astronomical figure based on the assumption that the goal of unification was equalization of per capita GDP between the two Koreas.

Wolf's estimate was slightly higher than that of Credit Suisse last year, partly due to the dollar's strength at that time. The Swiss financial services firm estimated it would cost \$1.5 trillion.

The economist noted that such a large bill was attributable to the wide income disparity, saying, "A reasonable estimate of per capita GDP in the North is perhaps \$700. In South Korea it's about \$20,000."

However, Wolf was optimistic that with careful planning, preparation and implementation, the costs of unification could be kept within manageable levels.

"If a more modest goal is adopted focusing on dramatically increasing per capita income in the North — say, by doubling it within five or six years — instead of equalization with the South, the cost burden decreases sharply to \$62 billion," he said.

Most of the prior estimates assume that the goal of unification was eliminating disparities in the per capita GDP, according to Wolf.

He said the costs of unification will most heavily impact the South, but, "the burden can and should be shared with Korea's American ally, as well as with the other principals engaged in the six-party talks, including China and Japan."

"If reunification ensues on the heels of the current Great Recession, the burden is more likely to be amicably borne if the costs are realistically bounded," he said.

Japan has pledged to pay up to \$10 billion in reparations for having colonized the North in the first half of the 20th century.

Last month, China, the North's key ally, also reportedly promised to invest about \$ 10 billion in its communist neighbor to revive its faltering economy.

(The Korea Times) Korea, Japan Can Build Nuclear Weapons Quickly

South Korea, like Japan, has the technology to build a nuclear arsenal quickly if it decides to do so, a U.S. defense report said Thursday.

"Several friends or allies of the United States, such as Japan and South Korea, are highly advanced technological states and could quickly build nuclear devices if they chose to do so," said the Joint Operating Environment (JOE) 2010, released on Feb. 18, by the U.S. Joint Forces Command.

The biennial report forecasts possible threats and opportunities for the U.S. military.

The 2008 report categorized South Korea, Taiwan and Japan as three "threshold nuclear states" that have the capability to develop nuclear weapons rapidly, should their political leaders decide to do so.

The latest assessment of South Korea's nuclear capability comes as Seoul and Washington are negotiating an extension of a 1974 agreement that bans South Korea from reprocessing spent nuclear fuel without consent from the United States.

The agreement expires in 2014. South Korea wants to regain the rights to reprocess spent fuel rods by its own will. The country, which won a \$20 billion contract in December to build four nuclear reactors in the United Arab Emirates, has long complained that the restrictions on the reprocessing work has blocked its aspirations.

South Korea is recognized globally as a pioneer in the study of the "pyprocessing" method aimed at reprocessing spent fuel without extracting weapons-grade plutonium from it.

The U.S. government fears South Korea's reprocessing of spent nuclear fuel might undermine global nonproliferation efforts, and provoke the North, and then Japan, making the security situation in Northeast Asia more volatile.

The JOE said North Korea is "pursuing nuclear weapons technology and the means to deliver them as well."

The 2008 edition had categorized North Korea as a nuclear power, saying, "The rim of the great Asian continent is already home to five nuclear powers: China, India, Pakistan, North Korea and Russia."

Pyongyang conducted its second nuclear test in May last year, after one in 2006, inviting stronger U.N. sanctions. North Korea has boycotted the six-party talks on ending its nuclear weapons programs to protest the imposed international sanctions.

(The Korea Times) Seoul, Beijing Want Early Resumption of Nuclear Talks

The top diplomats from South Korea and China met Thursday to discuss ways to resume the six-way talks on ending North Korea's nuclear ambitions, as well as promoting ties between the two nations.

The meeting was held in Beijing between Minister of Foreign Affairs and Trade Yu Myung-hwan and his Chinese counterpart Yang Jiechi.

Yu asked China to make efforts to bring the North to the negotiating table and called for concerted cooperation with other participating nations of the talks to resolve the nuclear problem.

North Korea pulled out of the talks last year to protest U.N. sanctions against the regime in the wake of its test-firing of a long-range missile. They involve the two Koreas, the United States, China, Japan and Russia.

China, a close ally of the communist North, is the host nation for the multinational disarmament forum.

The two ministers also exchanged views on relations between the countries and global issues.

“South Korea will work closely with China in setting the agenda for the G-20 summit to be held in Seoul,” Yu said, stressing both nations will further develop their “strategic cooperative partnership.”

Yu met with Chinese Premier Wen Jiabao and police chief Meng Jianzhu following the meeting with Yang.

Yu arrived in Beijing Wednesday after a brief stop in Shanghai to check preparations for the World Expo 2010, set to begin May 1.

(Reuters) S. Korean assembly approves renewable energy bill-govt.

SEOUL, March 18 (Reuters) - South Korea, heavily dependent on oil and gas imports, said on Thursday its parliament had approved a government bill to hike the country's consumption of renewable energy and support solar, wind power and fuel cell markets.

The assembly passed the bill, dubbed Renewable Portfolio Standard (RPS) and submitted in late 2008, to require 14 state-run and private power utilities to boost supplies of renewable energy starting in 2012, according to a statement from the ministry of knowledge economy.

Under the bill, the utilities should boost renewable energy by two percent of the total power generation in 2012, and the requirement will grow by five times to 10 percent in 2022.

"The government expects this move to help increase renewable energy consumption rates, which are relatively at much lower levels compared with developed countries, while contributing to reducing greenhouse gas emissions," the statement said.

Renewable energy accounted for 2.4 percent of South Korea's total energy consumption in 2008. The country aims to increase that to 11 percent by 2030.

"Through RPS, the government also expects to create large-scaled renewable energy markets, which will help domestic firms to actively invest and help related industries to expand," the statement said.

The government estimated in the statement that a renewable energy market worth 4.1 trillion won (\$3.64 billion) would exist by 2012, rising to 54 trillion won by 2022.

Last month South Korea, the world's No. 5 crude importer and No. 2 liquefied natural gas buyer, estimated the country's renewable energy investment would hit reach 5.5 trillion won this year, up 52 percent from 2009, mainly on facility expansion and research and development for solar, wind power and fuel cells.

Of the total, private companies are expected to invest 3.9 trillion won, the central and local governments 0.9 trillion won and public institutions the remainder.

Industry experts and analysts have been saying that the approval of the renewable energy bill at the parliament would be key to push for local renewable energy market development.

The approval of the bill has been delayed as the assembly became deadlocked over a plan by President Lee Myung-bak to clean up the country's four major rivers and his move to drop a campaign pledge to move parts of the government out of Seoul.

South Korea last year has made a major push for green growth, joining global efforts against climate change to revitalise Asia's fourth-largest economy by creating jobs in new technology sectors. Private firms followed the government's move with billion dollars of investments.

South Korea said last July it would invest 107 trillion won, or 2 percent of its annual GDP, in environment-related industries over the next five years, hoping to create up to 1.81 million jobs.

Samsung Group said it would join solar the cell business via Samsung Electronics (005930.KS) and the wind power business via the world's No. 3 shipbuilder, Samsung Heavy Industries (010140.KS). The world's top shipbuilder, Hyundai Heavy, said it spent up to 300 billion won in the solar cell sector in 2008-2009.

(The Korea Times) 80% Back Inter-Korean Summit

In a recent survey, 78.9 percent of those polled said they were in favor of the two Koreas holding an inter-Korean summit, with half favoring President Lee's precondition that Pyongyang's denuclearization be included on the agenda of the talks.

In the opinion poll of 1,800 adults last week, 12.4 percent answered that it would be inappropriate for the Lee administration to seek an inter-Korean summit for the time being, while 8.7 percent were undecided on the issue.

The survey was conducted by ACE Research at the request of the National Unification Advisory Council.

It showed that 50.2 percent responded that any inter-Korean summit should be arranged on condition that the deadlocked issue of the North's denuclearization is discussed.

Of the respondents, 28.7 percent said the high-level talks should be promptly held without conditions.

Asked what impact the summit would have on inter-Korean relations, 45.2 percent answered it would have a positive one, 5.9 percent a negative one and 41.8 percent that the effect would not be noticeable.

Asked if Seoul should link Pyongyang's nuclear issue with inter-Korean business projects, 71.7 percent showed their support for the idea, while 24.7 percent opposed it.

The survey showed that 84.8 percent viewed the unification of the two Koreas as important. It also found that 65.6 percent thought that unification should occur gradually.

As for the cost of unification, 52.4 percent said they were willing to share the burden, while 47.6 percent said they would be reluctant to do so.

In commentary posted Monday on Forbes.com, Charles Wolf, a senior economic adviser at the RAND Corporation, estimated that the costs of the unification of the two Koreas would be \$1.7 trillion, nearly twice South Korea's gross domestic product (GDP).

About 62 percent said that they are willing to participate in community programs to help North Korean defectors.

(The Korea Times) Education Ministry Lists Unionized Teachers

The government has asked city and provincial education offices to provide it with a list of school teachers belonging to the left-leaning Korean Teachers and Educational Workers' Union (KTU).

This is the first time the government has listed names and affiliated schools of unionized teachers, raising concerns that it infringes upon their human rights.

The Ministry of Education, Science and Technology has directed 16 regional education offices to collect data on the unionized teachers as lawmakers have requested the data.

The move came after a state-funded law research agency concluded that the government categorizing unionized teachers did not infringe upon their human rights.

The agency said the information "tells parents what sort of teachers are teaching their children and is linked to rights regarding education."

The KTU said it will take legal action, with teachers joining hands to oppose the move.

In a statement, the union said: "The government had admitted that the disclosure of teacher information was against the law."

A conservative teachers' group, the Korean Federation of Teachers' Association, also objected to the move, saying it would violate teachers' rights and privacy.

It said it will file a lawsuit in order to block the collection of data, and sue Education Minister Ahn Byong-man and superintendents at each education office.

The ministry plans to compile the data by next Wednesday and many regional offices have completed the process.

However, some regions are expected to see fierce resistance as the KTU ordered its senior members not to cooperate with the schools.

The union represents 20 percent of all teachers here with a membership of 80,000.

It is also opposing an evaluation of the performance of teachers, claiming that it is too subjective and leaves the possibility that school heads will abuse their power.

(The Korea Times) US Calls for Stronger NK Commitment to Nuke Talks

The United States welcomed remarks by a North Korean envoy that Pyongyang will return to the six-party talks on its denuclearization before June, but called for more than words, Yonhap News Agency said Saturday.

"A statement that they have no preconditions for arriving at those talks -- while on the face of it being positive, it is the actions that speak the loudest in this particular context," State Department spokesman Gordon Duguid said.

Duguid was responding to a report that a North Korean diplomat in London told reporters that North Korea will return to the six-party talks before June without any preconditions attached.

"We've been consistent on what we would like to see from North Korea," Duguid said. "We would like to see them come back to the six-party talks. So rather than making statements about them, if they do wish to re-engage, they can make that known to the chair of the six-party group, and we can begin from there."

The nuclear talks have been stalled since early last year, when the United Nations imposed sanctions in response to the North's nuclear and missile tests.

Economic Frontage

Detailed News:

(The Korea Times) N. Korea to Attract S. Korean Investment in Rason

North Korea changed a law regarding its northeastern Rason special economic zone last January in an apparent move to attract more foreign investment, including from South Korea, a government official said Sunday.

The Seoul government has confirmed the revision, which includes a clause that says the North will allow "Korean compatriots living outside the Democratic People's Republic of Korea (DPRK)" to be engaged in economic and trade activities in the communist state's first free trade zone, set up in 1991, the official said on condition of anonymity. The DPRK is North Korea's official name.

The North had banned South Korean investors from Rason in a 1999 revision.

Under the latest revision, the reclusive state will lower tax rates and simplify administrative procedures for foreign investors who want to establish branch and agent offices there, the official said.

The revision took effect Jan. 22 when Pyongyang upgraded the status of Rason to a special city, he said.

The official anticipated that South Korean firms would do business in the zone, saying the latest revision is a positive sign of North Korea opening its doors to outside world.

The North designated Rason and nearby Sonbong, located on the country's northernmost coast close to both China and Russia, as an economic free trade zone in 1991. The zone was renamed Rason later.

But efforts to attract foreign investment and capital have failed. North Korea aimed to attract \$7 billion worth of foreign investment into Rason, but actual investment amounted to only \$140 million.

There are an estimated 400 foreign businesses operating in North Korea, but most of them are small businesses run by Chinese or North Korean residents of Japan.

In recent years, the North has sought to revive the economic zone, signing an accord with Russia to rebuild railways and the port in the city. It granted Russia 50-year rights to Rajin port facilities earlier this year, reports said.

In addition, North Korea has recently agreed to extend China's lease on port facilities there for another decade, they said.

The North's opening of the port on its east coast has a significant meaning for China, observers say, because it will give the latter direct access to the Pacific. It also implicates millions of dollars in investment for the cash-strapped North.

(The Korea Times) Electric Cars to Be Used for G-20 Leaders

Low-speed electric cars will be used by Seoul City officials as early as next month.

The neighborhood electric vehicles (NEVs) will also be used to serve state leaders at the G-20 Summit this November in the Korean capital, the Seoul Metropolitan Government said Friday.

The NEVs are recharged by being plugging into a standard power outlet. Vehicles with lithium polymer batteries cost around 20 million won.

Fifteen vehicles will be deployed by June at fire departments. Another 20 will be introduced in the latter half of the year, for patrol and parking management at World Cup Park in northern Seoul.

The park will be designated as a "Zero Emissions Zone" before the international summit, allowing access only to environmentally-friendly cars such as electric cars, electric buses and hydrogen fuel-cell cars.

To encourage the use of NEVs, the city plans to install battery rechargers at public spots such as department stores and post offices. Users will be able to pay for the recharging service with their T-money public transportation cards.

A law will be put into effect from March 30, under which local administrators can designate specific areas for NEV use. Areas with little traffic were the first to be considered for the deployment.

The U.S., Canada and many other countries are also encouraging NEVs to be driven on streets with speed limits of 72 kilometers per hour or less. Seoul plans to regulate the speed to less than 60 kilometers per hour.

"We will give tax benefits to NEV drivers in the future," Lee In-geun, a Seoul City official, said.

(Reuters) S. Korea Feb LNG, coal imports jump yr/yr

S. Korea KOGAS Feb LNG sales up 26 pct on year

SEOUL (Reuters) - South Korea's imports of liquefied natural gas (LNG) jumped 21 percent year-on-year in February, customs data showed on Monday.

South Korea, the world's second-largest LNG buyer after Japan, imported 3.4 million metric tons of LNG in February, up from 2.9 million metric tons a year earlier, according to the Korea Customs Service.

State-owned Korea Gas Corp (KOGAS) (036460.KS), the world's biggest corporate buyer of LNG and South Korea's sole wholesaler, said last Friday it sold 3.13 million metric tons of LNG in February, up 26 percent from a year earlier.

Thanks to the higher sales, LNG stocks held by KOGAS at the end of February dropped an estimated 24 percent to 1.9 million metric tons from a year earlier, Reuters calculations based on trade and sales data showed.

KOGAS last month said it aimed to sell about 28 million metric tons of LNG in 2010, compared with 24.6 million metric tons last year, as demand for power generation recovers along with the economy.

Driven by recovering power demand, imports of coal in February jumped 28 percent from a year earlier to 8.3 million metric tons, customs data also showed on Monday.

(The Korea Times) 'FTA Ratification Would Create Billions for US'

Ratification of pending free trade agreements (FTAs) with South Korea and two other countries would allow the U.S. to boost its annual exports by billions of dollars, the country's top trade negotiator said Tuesday in Washington D.C.

"We are working to deliver economic and strategic trade benefits and opportunities by resolving outstanding issues on the Colombian, Korean and Panamanian free trade agreements in an effort to move those forward at the appropriate time," U.S. Trade Representative Ron Kirk said at a forum sponsored by the organization the National League of Cities.

"When those agreements go into effect, they will create billions of dollars in new market access for American exporters and new sourcing opportunities for American importers."

U.S. President Barack Obama, in outlining an ambitious drive to double his country's exports over the next five years — which he says would create 2 million additional jobs for Americans — has pushed for the completion of the pending FTAs.

However, Obama's administration has yet to take significant steps to bring the deals to Congress, and concern is growing it may not do so this year as it addresses urgent issues such as health care and financial reform.

The Office of the United States Trade Representative, in its 2010 Trade Policy Agenda submitted to Congress early this month, said: "With Korea, we are determined how best to address outstanding issues, particularly related to automobiles and beef. If these outstanding issues can be successfully resolved, we will work with Congress on a timeframe to submit them for Congressional consideration."

But doubts remain over the completion of the FTAs and the ability of Obama's trade push to create the number of new jobs he says it will.

Some experts say the newly-created jobs could be offset by those lost to reliance on goods from other countries, according to the Associated Press. Meanwhile, the opposition to the pending agreements with Korea, Columbia and Panama is being led by members of Obama's own Democratic Party.

(The Straits Times) Inditex profits rise on Asia sales

MADRID - SPAIN'S Inditex, Europe's biggest clothing retailer, posted Wednesday a rise in fourth-quarter net profit as strong sales abroad, especially in Asia, offset sluggish domestic demand.

In the three months to December, the owner of the Zara, Bershka and Massimo Dutti chains earned a net profit of 483 million euros (\$927 million), against 410 million euros in the same year-ago period, it said in a statement.

For the full year 2009 the company's net profit rose to 1.31 billion euros from 1.25 billion euros in the previous year. Analysts polled by Dow Jones Newswires had expected a full year 2009 net profit of 1.27 billion euros. Net sales during the fourth-quarter rose to 1.9 billion euros from 1.68 billion euros during the same year-ago period and reached 11.08 billion euros for the full year compared to 10.41 billion euros last year.

Sales in Spain, which is being wracked by its worst recession in over 80 years that has driven the jobless rate to nearly 19 per cent, accounted for 31.8 per cent of total sales, compared with 33.9

per cent in 2008. Sales outside Spain accounted for 68.2 per cent of total sales, up from 66 per cent in 2008. 'A highlight was the significant increase in sales in Asia, which in 2009 accounted for 12.2 per cent of total sales versus 10.5 per cent a year earlier,' the company said in a statement.

Inditex continued its strategic push into Asia's three top markets last year with the opening of 10 new stores in Japan, 12 new stores in South Korea and 41 new outlets in China, including the first Massimo Dutti store in Beijing. The company plans to add between 365 and 425 locations this year across its eight formats, with 95 per cent of the openings outside Spain.

Over 40 per cent of the commercial retail space which it will add will be in Asia, including its first opening in India in May. 'The opening in India will be very strategic for the medium term,' said Inditex chief executive Pablo Isa who added that China would be the 'major driver' of the company's Asian expansion. -- AFP

(The Straits Times) US seeks to be broadband leader

WASHINGTON - US COMMUNICATIONS regulators on Monday began unveiling details of a plan designed to vault the United States into the ranks of world leaders in high-speed Internet access over the next decade.

The 'National Broadband Plan', scheduled to be presented to Congress on Tuesday by the Federal Communications Commission, sets a 10-year goal of connecting 100 million US households to affordable 100-megabits-per-second Internet service.

President Barack Obama has pledged to put broadband in every American home and his administration has already designated over US\$7 billion (\$\$9.78 billion) in economic stimulus money to expand broadband access in underserved communities.

The United States currently lags behind many other countries in terms of broadband penetration and average Internet connection speeds. The FCC plan proposes broadband speeds 25 times faster than the current national average.

US connection speeds average at less than 4.0 mbps - capable of moving four million bits of data per second - according to the latest report by Web analytics firm Akamai, placing the United States 18th in the global rankings behind leaders South Korea (14.6 mbps) and Japan (7.9 mbps).

The United States ranks 12th in terms of broadband connectivity, according to Akamai, with 24 per cent of the population enjoying average connection speeds of over 5.0 mbps compared with 74 per cent in South Korea and 60 per cent in Japan. – AFP

(The Straits Times) Korea's jobless inches down

SEOUL - SOUTH Korea's jobless rate fell slightly in February from a month earlier, statistics showed Wednesday, but an analyst said companies remained reluctant to hire despite the economic recovery.

The rate stood at 4.9 per cent last month, Statistics Korea said, compared with five percent in January, which was the highest percentage for almost nine years. On a seasonally adjusted basis, the unemployment rate declined to 4.4 per cent from 4.8 per cent in January.

The number of people with jobs increased to 22.86 million in February, up 125,000 from a year earlier. The government, fearful of a jobless recovery, has announced plans to create more than 250,000 new positions this year. Among other measures, it will provide tax and other benefits to small and medium-sized companies to boost recruitment.

The finance ministry forecasts five percent economic growth this year but says it will keep its expansionary macroeconomic policy in place for the time being.

'South Korea's recovery remains on track, although the pace has moderated in recent months, and few jobs have been created,' said Alastair Chan, an associate economist with Moody's Economy.com.

Government support will help but private demand must recover to improve the labour market, he said in an emailed commentary released before the February figures. 'Despite rising business confidence through 2009, Korean firms were reluctant to hire out of concern that the recovery was not sustainable,' Mr Chan said. -- AFP

(Reuters) Kia Motors plans 100 mln euro Slovak plant

BRATISLAVA, March 18 (Reuters) - Car maker Kia Motors (000270.KS) said on Thursday it will invest 100 million euros (\$136.6 million) to build a new engine plant at its assembly site in Slovakia.

Cyclical Consumer Goods

The South Korea's No. 2 automaker currently operates a 1 billion euro car factory in the euro zone country, with an annual production capacity of 300,000 cars.

The company said in February it planned to boost production in Slovakia by 40 percent this year, driven mainly by rising demand in the SUV market.

(Reuters) Samsung Elect targets double digit 2010 sales growth

SEOUL, March 19 (Reuters) - South Korea's Samsung Electronics Co. Ltd. (005930.KS) said on Friday it was targeting double digit sales growth this year, with operating profit exceeding the 2009 level.

"There are business uncertainties including foreign exchange rates but we aim to achieve double digit sales growth and operating profit of more than 2009 level by improving cost competitiveness and increasing market share," Samsung said in an annual shareholder statement.

In 2009, Samsung, the world's top maker of memory chips and LCD flat screen and No.2 handset maker, reported record consolidated sales of 136.3 trillion won (\$120.8 billion) and a record operating profit of 10.9 trillion won, powered by a strong recovery in chips and liquid crystal display panels.

(Reuters) POSCO, SAIL to tie up for India steel plant -paper

MUMBAI, March 19 (Reuters) - South Korea's POSCO (005490.KS) has agreed to tie up with state-run Steel Authority of India Ltd (SAIL.BO) to build a \$3.3 billion steel plant in eastern India, the Business Standard reported on Friday.

Basic Materials

The plant with an initial production capacity of 3 million to 4 million tonnes a year is expected to be located in the mineral-rich state of Jharkhand, the newspaper said.

It quoted a POSCO spokesman as saying details of the agreement were being worked out.

Officials at SAIL and POSCO could not immediately be reached by Reuters for a comment.

SAIL was in talks with POSCO to increase cooperation between the two Asian steelmakers, SAIL Chairman S.K. Roongta had told Reuters last month, without specifying if those talks included jointly setting up a plant in India.

An Indian newspaper had reported last month that SAIL and POSCO, the world's 4th-biggest steelmaker, were discussing a joint steel plant at a site in eastern India that SAIL owns, at a cost of 100 billion rupees.

The Business Standard reported, quoting industry sources, the POSCO-SAIL project could be linked to the Indian firm's proposed 12-million-tonne plant in Bokaro city in Jharkhand, which would give POSCO access to iron ore supplies.

(Reuters) Seoul shares seen rangebound; eyes on Kia

SEOUL, March 19 (Reuters) - Seoul shares may trade in a tight range on Friday as firm gains on Wall Street are set to help the market but a mixed set of data could keep investors in check. "Markets are probably headed for a cautious start, but sentiment will not be bad. U.S. consumer price data was unchanged, which is positive in terms of the interest rate and exit strategy outlook," said Won Jong-hyuck, a market analyst at SK Securities.

Labour market and consumer price data on Thursday showed the U.S. economy is on a moderate growth path and inflation pressures are contained, backing up the Federal Reserve's vow to keep benchmark interest rates low for some time. Won added that key blue chip technology issues may rise as earnings expectations strengthen. Kia Motors (000270.KS) could be followed after news South Korea's No.2 carmaker will invest 100 million euros (\$137 million) to build a new engine plant at its assembly site in Slovakia. The Korea Composite Stock Price Index (KOSPI) finished down 0.46 percent at 1,675.17 points on Thursday.

-----MARKET SNAPSHOT @ 2253 GMT -----

	INSTRUMENT	LAST	PCT CHG	NET CHG
S&P 500	.SPX	1165.83	-0.03%	-0.380
USD/JPY	JPY=	90.41	0.07%	0.060
10-YR US TSY YLD	US10YT=RR	3.6759	--	0.000
SPOT GOLD	XAU=	1125.4	0.00%	-0.050
US CRUDE	CLc1	82.13	-0.09%	-0.070
DOW JONES	.DJI	10779.17	0.42%	45.50
ASIA ADRS	.BKAS	132.28	-0.74%	-0.98

RENEWABLE ENERGY RELATED ISSUES

South Korea, heavily dependent on oil and gas imports, said on Thursday its parliament had approved a government bill to hike the country's consumption of renewable energy and support solar, wind power and fuel cell markets.

(The Straits Times) Shanghai GM recalls 2,000 Captivas

SHANGHAI - SHANGHAI GM, a venture between General Motors Corp and China's SAIC Motor Corp, is recalling 2,065 Chevrolet Captivas imported from South Korea, China's quality supervision agency said.

The sports utility vehicles, made by GM Daewoo Automotive and Technology before the end of 2007, risked steering malfunctions, the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) said in a statement on its website.

Shanghai GM is contacting the owners of the Captivas to repair the vehicles, although the company has not yet received any customer complaints about defects, the agency said.

A string of recalls worldwide by top auto maker Toyota Motor Corp covering more than 8.5 million vehicles has put the spotlight on quality issues in the industry.

Toyota's China woes have been relatively limited so far, with the company recalling close to 76,000 RAV4 vehicles there due to faulty accelerators.

Shanghai GM sold 58,182 cars in February, up 66 per cent from a year earlier, as government incentives continued to stimulate auto sales in China, now the world's biggest auto market. – REUTERS

(Reuters) South Korea national oil firm eyes Ghana's Jubilee

ACCRA, March 19 (Reuters) - South Korea's national oil company is interested in buying a stake in Ghana's giant Jubilee oil field, the Korean firm and Ghana's state oil agency said on Friday.

Stocks | Energy

"They have expressed interest in everything -- exploration, production and all the potential downstream activities," said Thomas Manu, director of production at Ghana National Petroleum Corporation (GNPC).

Discussions between the two parties were at a preliminary stage, he told Reuters after a delegation from Korea met Ghanaian officials.

"Korea National Oil (Corp) is interested in participating in exploration and also in Kosmos' assets," said KNOC President and Chief Executive Young-won Kang.

GNPC is in protracted talks to buy the Jubilee stake owned by privately-held Kosmos Energy. A Ghanaian government source said in February the government wants to block a reported deal for Kosmos to sell its interest in the field to Exxon Mobil (XOM.N) for \$4 billion.

"(The Koreans) have expressed interest in buying a portion of it if we acquire it," Manu said.

Jubilee, forecast to begin producing later this year, has recoverable reserves of 800 million barrels, Ghana's Energy Minister Josphe Oteng-Adjei said last month.

(Reuters) Samsung, LG see growth, but know rivals are catching

SEOUL (Reuters) - Technology powerhouses Samsung Electronics and LG Electronics reinforced market optimism that strong demand recovery is in place, while cautioning that competition from global rivals is heating up.

The comments from Samsung, the world's top maker of LCD flat screens and memory chips and the No.2 mobile phone maker, come as the firm is forecast to report record profit this year, with its key businesses benefiting from an improving global economy.

Both Samsung and LG have won market share from Japanese companies such as Sony Corp and Sharp to emerge as global brands, but rivals are restructuring and beefing up their product line-ups.

"Japanese firms are sure to aggressively tackle this (market share loss)... and aggressive counter-marketing by Samsung may weigh on its margins," said Kim Young-june, an analyst at LIG Investment & Securities.

Samsung last year overtook Hewlett-Packard Co as the world's biggest electronics firm by sales, with revenue of \$121 billion.

Samsung competes with Finland's Nokia and LG in mobiles, Hynix and U.S. Micron Technology in memory chips and Sharp and Sony in flat-screen televisions.

Samsung and LG together control more than 30 percent of the global mobile market, but their share in the booming smartphone market is below 5 percent.

On average, analysts have raised their 2010 profit forecast for Samsung by 9 percent over the past three months, Thomson Reuters data showed. Expectations for Sony have also improved with narrower losses forecast, while the consensus for LG has been cut by 12 percent.

Samsung's entry into semiconductors three decades ago has helped the conglomerate grow from a sugar maker and trader into a global powerhouse in consumer technology and chips.

At shareholder meetings on Friday, both Samsung and LG pointed to lingering market uncertainties as major economies unwind stimulus measures and the South Korean won currency strengthens, which may hurt pricing against Japanese products.

Heavy investment by sector leaders has also raised oversupply concerns in flat panels and chips.

"Our competitors have strengthened their capability and some have completed restructuring... They are racing ahead to rival us and this will increase competition and toughen our business outlook," Choi Gee-sung said in his first meeting with shareholders after becoming Samsung chief executive in December.

Sony, which is falling behind both Samsung in LCD TVs and Apple Inc's iPod in portable music, reported a first profit in five quarters last month as a restructuring at the Japanese electronics maker starts to pay off.

Samsung shares ended up 0.9 percent, while LG edged up 0.5 percent in a broader market up 0.7 percent.

EXPECTATIONS PRICED IN

Samsung is targeting a higher operating profit and double-digit growth in sales in 2010, fueled by strong demand for its flat screens and memory chips.

The forecast was in line with market estimates. Samsung is expected to report a 14 percent rise in 2010 sales to 155.4 trillion won on a consolidated basis, and a 42 percent jump in operating profit to 15.5 trillion won this year, according to Thomson Reuters I/B/E/S.

The Samsung Group accounts for a fifth of South Korea's annual exports.

A firmer won is a risk for South Korean exporters. The currency has risen 3 percent against the dollar this year after gaining 8 percent to the dollar and 11 percent to the Japanese yen in 2009.

Analysts say the two Korean firms face key challenges in a potential LCD sector slowdown in the second half and relatively weak smartphone offerings.

On Friday, nearly 500 firms held their AGMs in and around Seoul, a practice that began decades ago as an attempt to block activist shareholders from gatecrashing many meetings.

In the past, some shareholders have used AGMs to demand higher dividends and changes in corporate structures.

Samsung's meeting, complete with orchestral music and heavy security at the firm's new offices, went off smoothly, with a number of shareholders praising management.

"Samsung achieved great results and improved its brand image when the economy is in bad shape, and it warmed the hearts of many shareholders," shareholder Choi Kyung-ja read from a prepared statement, asking investors to approve a proposal to increase executive pay.

(The Straits Times) S Korea rejects threat to assets

SEOUL - SOUTH Korea said on Friday it would only resume tours to North Korea if Pyongyang provided safety guarantees, rejecting the regime's threat to confiscate Seoul's assets at a resort north of the border.

The unification ministry, which handles relations with the isolated communist state, expressed deep regret about the North's latest warning, saying it violated international norms and cross-border agreements.

The Seoul-funded Mount Kumgang resort once earned the cash-strapped North tens of millions of dollars a year. But the South Korean government suspended the tours after a North Korean

soldier in July 2008 shot dead a Seoul housewife who had strayed into a poorly marked military zone. The sanctions-hit North is increasingly impatient to restart the business. The South says the two governments must first reach firm agreements on the safety of South Korean visitors.

In its latest message on the issue, the North said all South Koreans with assets at Kumgang should visit the resort by March 25. 'All assets of those who do not meet the deadline will be confiscated and they will not be able to visit Mount Kumgang again,' it said.

South Korean conglomerate Hyundai developed the scenic east coast resort as a symbol of reconciliation, with tours there starting in 1998. A luxury hotel, a golf course, and other facilities have remained unused since the shooting. 'We have not changed our stand... that the security of our tourists must first be secured in order for tours to resume,' ministry spokesman Chun Hae-Sung said on Friday, calling for more talks on the issue.

Mr Chun said it was up to other parties whether to visit Kumgang by March 25, but the Seoul government had no plans to do so. The Kumgang trips were the first-ever such tours between the two nations, which have remained technically at war since their 1950-1953 conflict. -- AFP

Socio-cultural Façade

Detailed News:

(The Korea Times) Headmasters at Public Schools Asked to Report Assets

Public school principals will likely be asked to report their personal assets.

The Anti-corruption & Civil Rights Commission (ACRC) said Sunday it will seek to mandate that all state-run primary and secondary school principals disclose all their personal wealth.

The move comes amid an eruption of bribery scandals involving school headmasters and education supervisors.

The commission has already notified the Ministry of Education, Science and Technology of its plans.

"The disclosure of their wealth will promote fairness in school management and prevent them from accumulating illegal funds," it said. "This will boost transparency and basic ethics in the field of education."

The agency also said headmasters have a lot of discretionary power but no tools have been introduced to monitor their possible abuse of their position.

Under the current law, top civil servants, excluding principals, have to report their financial status to the government.

According to the National Assembly, 93 corruption cases involving educators were reported last year and among them, 31 were related to school heads.

Some high school principals have been arrested on charges of taking bribes. One former headmaster committed suicide following his dismissal linked to such irregularities. Prosecutors are widening investigations into corruption in the field of education.

(The Straits Times) S. Koreans back death penalty

SEOUL - MORE than 80 per cent of South Koreans support capital punishment, according to a survey published on Sunday and conducted in response to a high-profile rape and murder case.

The survey, carried out last Friday by ruling-party thinktank Youido Institute and polling 3,049 adults nationwide, found that 83.1 per cent of respondents supported the death penalty as a deterrent to crime.

Only 11.1 per cent were opposed, according to the survey, which had a margin of error of 1.77 per cent, as reported by Yonhap news agency.

The respondents were polled amid a public outcry following the arrest last week of Kim Kil-Tae, a 33-year-old male suspected of raping and murdering a 13-year-old girl in the southern city of Busan.

The teenage girl, who went missing on February 24, was found dead on March 6 in a water tank near her home. Police reportedly found Kim's DNA in samples taken from the teenager's body. Kim has denied the charges against him, police said on Sunday.

Last month, South Korea's top court ruled in favour of the death penalty in a response to a 2008 petition, after its 1996 decision upholding capital punishment as constitutional. An unofficial moratorium on the death penalty has been in place since February 1998, when President Kim Dae-Jung - himself sentenced to death in 1980 under a military government, but later pardoned - took office. -- AFP

(The Japan Times) Unlocking cancer drug mechanism may avoid risk of birth defects

Bloomberg

Scientists have uncovered how a drug used in blood cancer medicines leads to short or missing limbs in babies, moving closer to developing treatments without the risk of such birth defects.

Thalidomide, the drug known for causing deformed arms and legs in fetuses, binds with the cereblon protein to inhibit its activity, blocking a process essential to limb development, scientists led by Hiroshi Handa of Tokyo Institute of Technology said in research published in

the March 12 issue of the journal Science. Celgene Corp.'s Revlimid and Thalomid, multiple myeloma medicines, are derived from thalidomide.

The finding, in a study using zebra fish and chicks, may help expand the use of thalidomide while avoiding the side effects.

Thalidomide was used as a morning-sickness treatment in the 1960s and then banned after women who took the drug in early pregnancy gave birth to children with short or missing arms and legs, the U.S. Department of Health and Human Services said on its Web site. Its use is now restricted.

"The discovery can lead to a wide range of applications" for safer and more effective drugs for cancer, leprosy and inflammatory ailments, Handa said in an interview Wednesday.

Multiple myeloma is a cancer that starts in white blood cells and an estimated 21,000 cases were diagnosed in the United States in 2009, according to the National Cancer Institute. About two-thirds of patients die within the five years of treatment, according to the American Cancer Society.

Revlimid and Thalomid, also used to treat leprosy, generated \$2.14 billion in sales last year, accounting for about 80 percent of Summit, N.J.-based Celgene's revenue. Prescription information for the two drugs carries the U.S. Food and Drug Administration's warning that they must not be used by women who are pregnant because of the risk of birth defects or death to an unborn baby.

(The Korea Times) Teen Mothers Forced Out of School

Thousands of Korean teenage mothers are being forced to drop out of school every year, the National Human Rights Commission (NHRC) said Tuesday.

The number of unmarried teenage mothers has soared to some 5,000 to 6,000 a year and it is increasing every year, NHRC Chairman Hyun Byung-chul said at a National Assembly forum in Seoul.

He said the more worrying fact is that most of them have either already left school, or are being forced out on the grounds that they have violated school regulations.

In 2009, a 16-year-old single mother filed a complaint with the rights commission, claiming that her high school made her drop out by even threatening that it might sue her boyfriend for the pregnancy.

The school argued such a measure was necessary because she breached the school's code of conduct and that attendance of a pregnant student would have a bad influence on others.

However, the school later decided to let her continue her study following the commission's recommendation.

The commission points out that encouraging teenage mothers to take education is a growing trend in advanced countries.

It says the United States runs the Teenage Parenting Program, which includes special classes and child care facilities in schools; The United Kingdom also operates a similar program called "20 Sure Start Plus," which mandates teen mothers under the age of 16 to complete education and provides housing for single mothers between 16 and 17 years old.

According to the latest survey of the Korea Institute for Health and Social Affairs, less than 17 percent of single mothers attend school in Korea.

Eighty-five percent of unmarried student-mothers quit school though nearly 60 percent of them wanted to continue their studies, according to a 2008 report by the Ministry of Education, Science and Technology.

(The Korea Times) Maternity Leave Numbers Hit Record in January

A record number of parents and prospective parents were on paternity and maternity leave as of January.

According to the Korea Employment Information Service (KIES), 21,301 workers were on leave in January, a 50 percent increase from a year ago.

The total amount paid out for leave benefits was tallied at 14.9 billion won, around a 4.7 billion increase from a year ago.

This is the first time that more than 20,000 people have received the benefits since the system was put into effect in 2001.

The KIES sees it as a sign of parental leave taking root as a social system in line with a nationwide campaign to boost childbirth.

Workers whose children are under three years old can take up to one-year "paid" leave.

Those taking parental leave are entitled to 500,000 won in monthly benefits for up to 12 months. They are paid from employment insurance.

Korea marked the lowest birthrate in the world last year at 1.15 — in 1981, the rate was 2.57.

However, considering there are 1.3 million women aged between 25 and 34 on payrolls, the number of recipients appears to be very small.

The number of men on paternal leave is extremely low — only 245 as of January, accounting for 1 percent of the total.

The Korea Labor Institute (KLI) has proposed reform of the current parental leave system. "The benefit set at 500,000 won per month is too small to encourage highly-paid professional females to leave work for children," the institute said.

"Most advanced countries have a proportional salary system during parental leave, not the flat rate system like ours. For example, France differentiates the amount of benefits by the number of children — six months for firstborns and three years for seconds, which is helping it boost its once-dismal birthrate."

Career portal site Job Korea found in a survey of 295 married office workers that 81 percent had postponed or gave up childbirth due to their career.

However, more than 80 percent of them were willing to have two or more children, if the company provided in-house childcare facilities.

In addition to in-company nurseries, married workers wanted the company to support child rearing expenses and allow working from home.

(The Korea Times) Opposition Adopts Free School Lunch as Slogan

“Free lunches in elementary and middle schools” has emerged as a popular campaign slogan of the opposition camp for the June 2 local elections.

On Wednesday, Lee Jong-kul, a Democratic Party candidate for Gyeonggi Province governor, proposed a bill that would introduce free lunches for all elementary students by 2011 and middle school students by 2012.

On the same day, Lee Si-jong, a candidate for governor North Chungcheong from the same main opposition party, pledged to submit a similar bill that calls for an immediate implementation of the free meal system for all elementary and middle school students.

Lee is finalizing the bill and plans to submit it to the National Assembly by this week.

Kwon Young-ghil, leader of the minor opposition Democratic Labor Party, welcomed the moves, saying such a bill should be endorsed at the Assembly in April.

Last year, Kwon also submitted a bill that called for the introduction of an environmentally-friendly free meal system at schools.

Meanwhile, officials of the governing Grand National Party, which has snubbed the opposition parties' calls, are becoming increasingly concerned over the growing popularity of the free meal

slogan, which makes their party's stance increasingly unpopular.

Earlier, the government and GNP said the provision of free meals — which would cost up to 2 trillion won (\$1.7 billion) of tax payers' money — even to children of well-off families was a ``populist" tactic that would greatly undermine the country's fiscal soundness.

However, they have encountered strong criticism and are now showing signs of backing off from their initial stance on fears of losing out in the local elections.

Faced with mounting criticism, as seen from Tuesday's rally in downtown Seoul by an alliance of some 2,000 civic groups, they agreed on the gradual introduction of free meals at school.

The government and the ruling party plan to announce their position on the issue tomorrow. Only 13 percent of school students are currently given free meals, according to the Ministry of Education, Science and Technology.

Lee Soo-jung, a Seoul City councilor, says nearly 80 percent of people in the capital city support the provision of free meals.

Her figure is based on a telephone survey of 2,179 Seoul residents from March 9 through 14.

(The Korea Times) School Headmasters to Be Picked From Applications

The country's top educational policymaker said Wednesday the government will pick half of the principals at public elementary, middle and high schools nationwide through applications from teachers.

The government plans to create a pool of talented teachers based on their competence and reputation among their colleagues to make the new system successful, said Ahn Byung-man, minister of education, science and technology.

The measure is part of plans to root out corruption in the educational sector, which Ahn reported to President Lee Myung-bak during the first policy coordination meeting on educational reform at Cheong Wa Dae.

The report came amid a widening investigation of the former superintendent of the Seoul Metropolitan Office of Education, Kong Jeong-taek, who allegedly received bribes from senior teachers while in office in exchange for helping them secure promotions.

The envisioned application-based choice of principals is expected to weaken the power of superintendents at regional educational offices, who have controlled the appointments of senior teachers. In opening remarks, President Lee said education and science technology are the main drivers of the country's long-term economic growth, renewing his earlier pledge to eradicate educational corruption.

"Educational reform is the No. 1 issue for me this year," Lee said. "We have to improve growth potential to achieve sustainable economic development. Only education and science can make this possible."

The monthly meeting of senior policymakers and experts from the private sector was launched last month to discuss ways to reform education and improve services for parents and students. It also aims to improve public schooling and curb excessive household spending on private teaching.

"The country's future is bright only after we complete educational reform now. Educational fundamentals should be improved so that all people, rich or poor, can get quality services," Lee said.

"It is time to reform the system to make it better fit for a new environment in the 21st century."

It was the latest in a series of remarks on educational reform in recent weeks.

Corruption among education officials and violent behavior by students have made headlines here.

The education ministry has allowed universities to hire admissions officers to select some of their intake on the basis of talent, rather than test scores as part of efforts to reform the college entrance system.

Lee said Korea has nurtured superb human resources through education, making it one of the major economic powers in the world, as U.S. President Barack Obama has repeatedly pointed out.

Obama has said on several occasions that his country needs to learn from South Korea's education system, which includes longer school days and additional after-school programs. He also has praised Korean parents for their enthusiasm in providing an excellent education for their children.

Presidential aides said the monthly meeting reflects Lee's resolve to uproot corruption and fight soaring private education spending in the third year of his single five-year term.

The country's spending on private schooling, including tuition costs for private cram schools and expenses on study materials, have grown by some 20 percent annually.

South Koreans spent 21.6 trillion won (\$18.7 billion) on private instruction in 2009 alone.

The session will be held on Wednesday in the third week of every month for a year mainly at schools and other education-related facilities, according to the presidential office.

(The Korea Times) Former Prosecutor to Tackle Corruption in Education Sector

Park Jun-mo, 55, new chief inspector general of the Ministry of Education, Science and Technology, has pledged to review unsolved education corruption cases.

During an interview with The Korea Times, Wednesday, the prosecutor-turned-inspector said he will look into some of the suspected irregularities in the education sector.

He is expected to take up, among other cases, admissions irregularities by Korean students heading to U.S. colleges and the ministry officials who turned a blind eye on the allegations of embezzlement of school funds by Rep. Kang Sung-jong of the main opposition Democratic Party, as well as Korean parents who had their children adopted by U.S. military employees for enrollment into schools on the army base.

The ministry's appointment of the former prosecutor is in line with the government's move to root out corruption involving school teachers and education officials.

Earlier, the new chief inspector vowed that he will uncover irregularities around the schools during a meeting with reporters on Tuesday. "(The Education Ministry) used to finish audits when they failed to reveal the truth behind all the suspicions," Park said.

"However, I believe we (the ministry officials) have to request police or prosecutors to investigate suspected corruption cases even if we cannot find proof."

However, he noted that the ministry cannot touch on all cases and that's the reason they have to select a few and focus on them.

"I don't believe we can root out chronic corruption in the education sector in a day. But, I can initiate a mood of change. If we remain unchanged, we will be targeted by prosecutors and other inspection agencies, including Cheong Wa Dae," he said.

Graduating from Korea University in law studies, Park passed the 24th state-run bar exam. He began to work as a prosecutor at Incheon District Prosecutors' Office and served in other prosecutors' offices across the nation.

In the meantime, police have started to look into private institutes, or hagwon, which create admission documents such as essays and drawings for U.S. college hopefuls.

Among the cases reported by The Korea Times, a Korean student submitted a recommendation written on presidential stationery and signed by former President Kim Young-sam to Carnegie Mellon University for the 2008 academic year.

However, aides to the former head of state said, "Neither former President Kim nor his office made such a recommendation. In reaction to the report, the Pittsburgh-based university remained quiet.

(Reuters) South Korea green growth to hurt environment: report

SEOUL (Reuters) - A massive river restoration project at the center of South Korean President Lee Myung-bak's green growth strategy will harm globally threatened bird species and destroy critical habitat, a conservation group's report said.

Lee's government intends to spend 22.2 trillion won (\$19.68 billion) to dredge, dam and beautify four major rivers with golf courses and bike trails in a plan that is supposed to increase the supply and quality of fresh water and prevent flooding.

"(It) will impact 50 bird species negatively, causing further declines in several sensitive waterbird species that are ecologically dependent on shallow rivers, flood-plain wetlands and estuaries," the conservation group Birds Korea said in a report released on Thursday.

The group, which has conducted some of the most extensive studies of waterfowl in the country, said the further damming and deepening of rivers through dredging will lead to the decline of feeding grounds and biodiversity.

"We have lost almost all of the natural stretches. This project is going to kill off what little remains," Nial Moores, director of Birds Korea, told Reuters.

Among the species threatened with habitat loss and population declines are several listed globally as critically endangered -- including the spoon-billed sandpiper -- and others South Korea lists as "national natural monuments."

The group called on the government to halt the project and conduct an extensive environmental impact study. Construction started last November.

A South Korean environment ministry official said the government is doing all it can to prevent and minimize any harm the project could cause to wildlife.

"There are some regions where construction is inevitable, and for these places, we are building new alternative habitats and environments for wildlife," said Yeo Soo-ho.

Critics said the project is more about local politics, aimed at creating jobs in rural areas that will provide crucial votes for Lee's conservative camp in South's Korea's next presidential election in 2012, when construction is due to end.

Lee, a former CEO of Hyundai construction, has been campaigning globally to show his country as an environmental industry leader. He has touted the four rivers project, saying it will reshape Asia's fourth-largest economy.

South Korea has few supplies of fresh water and two of its major rivers flow from rival North Korea, which has built dams along the waterways that can severely alter water flow.

(The Korea Times) Cambodia Forbids Marriage to Koreans

Cambodia has temporarily banned its citizens from tying the knot with Korean nationals, officials at the Korean Embassy in the Southeast Asian country said Friday.

On its Web site, the Korean embassy announced that it was notified of the decision by the Cambodian government on March 5 through an official document.

According to officials of the embassy, the Cambodian government claimed that the measure was drawn up in line with efforts to prevent human trafficking.

The government has also expressed its concern that marriages to Koreans through brokers or matchmakers have become common practice, although it is illegal there.

The number of marriages to Korean nationals accounts for nearly 60 percent of the country's total multicultural marriages, according to them.

The number of Cambodians marrying to Koreans stood at 1,759 in 2007, up from 365 in the previous year. The figure dropped to 551 in 2008.

(The Korea Times) Corruption Scandals Bury Education Reform

Education policy and reform plans of the Lee Myung-bak administration are focusing on two key words — autonomy and competition.

Now, these two words are rare commodities in the education sector, which is currently engulfed by a series of corruption scandals, well illustrated by Kong Jeong-taek, the former top educator of Seoul. Kong, a conservative educator, who saw his tenure cut short and is under investigation.

Education Minister Ahn Byong-man and Vice Education Minister Lee Ju-ho were put in charge of leading the reform.

However, the two are on the defensive, with their reform agenda being buried by one scandal after another.

In the wake of recent money-for-promotions in the education sector, the ministry plans to shrink the power of each education office and tightly monitor supervisors as well as school principals. In this regard, the ministry has recently scouted a former prosecutor as an inspector general.

Ahn also announced that the ministry will invite outside experts to screen officials at education offices, while tuning up the entire rotation system among senior education officials.

While these measures are not part of their reform agenda, they are being announced as part of efforts to cope with the corruption scandals.

The introduction of the "autonomous" private high schools is also part of the government's plan to diversify high school education and widen choices for students as well as to boost competition among schools. The ministry plans to select a total of 100 such schools across the country by 2012.

However, those in Seoul are facing trouble as some of them have been involved in admission irregularities. A number of unqualified students were found to have enrolled in the schools through a program only those from low-income families should have been able to apply to.

Regarding this, the top educator said the ministry was not responsible for the cases but parents who abused the "good-willed" program should be blamed.

In its ambitious plan to cut private education costs by half — a critical social issue — the ministry has promoted the admissions officer system and started to curb operation hours and tuition at private cram schools.

However, the success of the ministry's efforts is also doubtful. When referring to those preparing to apply to colleges in the U.S., where the admission officer system was initiated, it costs parents and students more money and pain.

Moreover, the system is vulnerable to a variety of admission frauds in Korea where ghostwriters and money-making institutes producing related documents are rampant.

Regarding restrictions on "hagwon," or private cram schools, some education specialists point out that the government doesn't have a consistent policy. They say "education autonomy" of the Lee Administration contradicts with its hagwon policy.

Three steps have been designed for the ministry's reform plan. In the first step, colleges get more flexibility in selecting students. The second step is about changing the College Scholastic Ability Test (CSAT), which will be disclosed at the end of this month. Lastly, all schools will have full authority in student selection through an admissions officer system.

Japan

Politico-Strategic Front:

Detailed News:

(The Japan Times) Political funding reforms

At long last, efforts have begun to resolve problems related to political donations. Despite their divergent stances on this matter, the ruling and opposition parties have in principle agreed to begin consultations on discussion of issues related to political funds.

Komeito proposes prohibiting political donations by companies and other organizations, including labor unions, and making politicians shoulder more responsibility in supervising official political funds reports — a view basically shared by Prime Minister Yukio Hatoyama.

The Liberal Democratic Party had been reluctant to launch the consultative body, saying that the Democratic Party of Japan would use it to distract people's attention from the funds scandals involving Mr. Hatoyama and DPJ Secretary General Ichiro Ozawa. The truth of the matter, however, is that the LDP relies more on donations from companies than the DPJ. For example, the LDP received some ¥2.7 billion from member companies of Nippon Keidanren (Japan Business Federation), Japan's most powerful business lobby, in 2008 while the DPJ received some ¥100 million. The LDP is not enthusiastic about barring corporate donations.

Nippon Keidanren on Monday decided to halt its involvement in political donations. It will cease assessing the policies of political parties, which it began doing in 2004 and which served as the basis for deciding the size of its donations to each political party. Nippon Keidanren's decision should make it easier for the parties to reform political funding.

The parties should establish a system in which every movement of money can be clearly traced by outsiders, and it should be based upon transparency and simplicity. Such a system would boost the people's trust in politics. The parties should also discuss ways to encourage political donations from individuals while ensuring that wealthier voters do not exert a disproportional influence on the nation's politics.

(The Japan Times) Emissions bill, urging '11 carbon tax, gets nod

The government formally approved a bill Friday that would aim to slash greenhouse gas emissions by 25 percent from 1990 levels by 2020 on condition that all major emitters set similarly ambitious targets, and introduce a carbon tax next year.

The bill on basic policies to curb global warming, adopted at a Cabinet meeting in the morning, also sets an 80 percent emissions cut target for 2050 and calls for measures to realize medium- and long-term goals, including the introduction of an emissions-trading scheme, a carbon tax and the promotion of nuclear energy use.

"The greatest aspect (of the bill) is that it stipulates a 25 percent cut," Prime Minister Yukio Hatoyama told reporters.

"The most important thing is to have the public share such a perception."

The bill, however, left room for allowing setting an emissions ceiling per unit of production for some industries in designing a specific emissions-trading scheme, although the approach has been criticized by environmental groups.

While calling in principle for setting an overall ceiling for emissions to ensure a reduction, the bill also seeks "consideration" of a ceiling per unit of production, which may lead to an increase in emissions as output grows, apparently in view of business concerns.

The government would be required to draft another bill on emissions-trading within a year from the legislation, if enacted, taking effect.

On renewable energy, the bill sets a target of boosting it to 10 percent of primary energy supply by 2020, and seeks to create a mechanism to require power utilities to buy all the electricity generated with renewable energy at fixed prices.

It also calls for introducing a carbon tax in fiscal 2011, and promoting nuclear energy despite resistance from the coalition government's junior member, the Social Democratic Party.

Oxfam International has criticized the draft climate bill for "watering down the country's responsibility to contribute to global efforts to tackle climate change."

Jeremy Hobbs, Oxfam International's executive director who is on a Tokyo visit to meet with Japanese government officials, said Thursday the Cabinet "failed to provide international leadership, which was desperately needed to build trust between developed and developing countries," according to a press release.

Hobbs especially criticized the draft bill for allowing an approach that could lead to an increase in industries' overall emissions and for making the 25 percent emissions-cut goal conditional.

(The Japan Times) Okada plans panel to promote disclosure of diplomatic papers

Foreign Minister Katsuya Okada is planning to set up an ad hoc committee in the ministry to promote the disclosure of diplomatic documents, sources said Sunday.

The decision to form the committee is expected to be made when a separate Okada-led task force on document preservation and declassification holds its first meeting this week, the sources said.

Diplomatic documents can be released to the public 30 years after being drawn up, but various agencies in the ministry typically use their own discretion in releasing documents, leaving many in limbo.

The new panel is being sought as part of the DPJ-led government's new policy of openness at the ministry.

The ruling party is hoping that the panel will give it the capability to disclose diplomatic documents without interference from the vaunted bureaucracy.

The panel will comprise experts on information disclosure and diplomatic history and include top officials in the Foreign Ministry.

White Beach base site said credible

(The Japan Times) Futenma option seen as way to ease Okinawa's overall burden

OSAKA — The proposal to build a replacement base for U.S. Marine Corps Air Station Futenma off the Katsuren Peninsula in central Okinawa Island, stretching from the White Beach Naval Facility to a nearby small island, is the latest idea to be floated in the contentious relocation abyss.

A 2006 U.S.-Japan accord calls for Futenma's flight operations to be relocated to Camp Schwab's Henoko coast farther north on Okinawa Island in Nago, but that option, variations on it and other sites have met with both local and Tokyo opposition.

But the Katsuren-White Beach plan, which Chief Cabinet Secretary Hirofumi Hirano said Monday was under consideration, appears similar to one originally suggested by Okinawan business leaders over a decade ago.

And in the past, the plan had a degree of support from local politicians and Okinawa-based marines that neither Henoko nor any other sites ever enjoyed.

While details of the Katsuren plan currently under consideration are uncertain, the idea for a facility in the area originated with Okinawa business leaders in the late 1990s and was expanded in 2005 by Robert Eldridge, then an academic specializing in postwar relations between the U.S., Japan and Okinawa and currently working for the U.S. Marines in Okinawa in their community policy office.

Eldridge, when still an academic, presented his proposal to the marines, the central government, Okinawan political and business leaders, and to the now ruling Democratic Party of Japan.

In early 2009, before the DPJ came to power in a coalition government, Eldridge again pushed a Katsuren plan to senior DPJ leaders, including Yukio Hatoyama, who is now the prime minister.

Under his 2005 proposal, the functions of Futenma, Camp Kinser, the U.S. Army Naha Military Port and the Air Self-Defense Force base at Naha International Airport were to have been moved to a facility, to be built on partially filled in shallows a few kilometers off the Katsuren Peninsula and the 1.5 million sq.-meter White Beach training area, where the marines conduct amphibious assault training.

The proposal called for an artificial island housing a heliport and two 3,600-meter runways, and, in addition to the marines, aircraft from both the ASDF at Naha airport and the U.S. Air Force at Kadena would be based at Katsuren, reducing noise complaints from residents who live beside those two facilities.

"Flight paths to the Katsuren facility would be over the water, the facility could be constructed quickly, the environmental impact would be minimal, and the base would provide a source of revenue for Uruma city," which lies on the tip of the peninsula, Eldridge wrote.

"The facility would relieve congestion on Route 58, along which Futenma, Naha Military Port, and (marine base) Camp Kinser all lie. From a military perspective, the facility is also ideal in that it's closer to Kadena, other facilities, and housing areas so that, in a crisis situation, operations and command and control will likely go more smoothly," he added.

The plan concluded operating out of Henoko would be fraught with logistical problems for the marines, while a Katsuren facility would reduce both operational problems and the risk of traffic accidents, a major source of friction between Okinawans and U.S. military personnel.

"Even in normal times, the daily 90-minute commute envisioned with the Henoko move for some personnel stationed elsewhere in Okinawa is going to lead to stress, a drop in morale, an increase in (traffic) accidents, and a decrease in the ability to respond to crises," Eldridge wrote.

Five years ago, the Katsuren plan was praised by a few top marine officers in Okinawa and members of the then long-ruling Liberal Democratic Party and senior business leaders in the Okinawa Chamber of Commerce and Industry. Supporters saw it addressing the operational needs of the marines and meeting demands from the public to reduce the burden of hosting the bases, especially Futenma in the crowded city of Ginowan.

But although the plan was originally seen as merely one part of an overall strategy to deal with many of the issues that have plagued Okinawa's relationship with both Tokyo and Washington for decades, the current political situation in Okinawa is less favorable than it was in 2005 toward building a new base off Katsuren or anywhere else.

Political opposition in Okinawa to both the ruling and opposition parties remains strong, although Shoukichi Kina, an Upper House DPJ member from Okinawa, told reporters Sunday the Katsuren plan would also call for moving the ASDF unit from Naha and that this might help overcome local opposition.

(The Japan Times) Ishikawa governor is re-elected

KANAZAWA, Ishikawa Pref. (Kyodo) Incumbent Masanori Tanimoto, backed by various political parties for his experience in local politics, defeated by a wide margin three rookie candidates in the Ishikawa gubernatorial election Sunday.

Tanimoto was backed by both the ruling Democratic Party of Japan and the Liberal Democratic Party, the main opposition force.

Tanimoto, 64, received 296,628 votes, according to the local election management committee, beating former DPJ lawmaker Yutaka Kuwabara, 64, who received 105,166 votes, and two others. Voter turnout was 48.13 percent, the lowest on record.

Tanimoto was elected to his fifth four-year term, making him the longest-serving incumbent prefectural governor, along with Ibaraki Gov. Masaru Hashimoto.

During the election campaign, Tanimoto faced criticism for remaining in office too long, but stressed his success in developing airport and railway infrastructure in the prefecture.

During his campaign, Tanimoto emphasized his efforts to bring the shinkansen to the Hokuriku region. Construction is under way on a Kanazawa shinkansen station on the Hokuriku Shinkansen Line, although it is unclear when it will open.

Tanimoto also highlighted his efforts to help small companies.

While all four candidates ran as independents, Tanimoto received endorsements from the Social Democratic Party and New Komeito.

The two other candidates were Yoshinobu Kimura, 58, who was supported by the Japanese Communist Party, and Teruo Yonemura, 70.

(The Japan Times) Half-year on, Hatoyama struggling

Scandal, debt abound; progress on tall-order poll pledges eludes

It's been six months since Prime Minister Yukio Hatoyama and his Cabinet strutted the red-carpet for an inaugural photo session, staging a perfect Hollywood ending to a summer blockbuster election that knocked the Liberal Democratic Party out of almost 50 years of unbroken rule.

But those who pinned high hopes on the sequel that had Hatoyama's Democratic Party of Japan following through on its political pledges are quickly being let down, as the DPJ takes baby steps in pursuit of its goals, if that.

In terms of its promises, the ruling bloc has little to show for itself so far.

Cutting the wasteful spending characterized by the previous government's budget was a top DPJ promise, with the party pledging to generate new fiscal resources of ¥9.1 trillion from the ¥207 trillion in the general and special account budgets of fiscal 2009.

But a key task force under Hatoyama succeeded in trimming just ¥690 billion in "wasteful spending," while tax revenues in fiscal 2010 are expected to fall to around ¥37 trillion from the initial projection of ¥46 trillion.

Many of the DPJ-led bloc's election promises now seem unreachable, given the snowballing government deficit and debt. And it is growing increasingly likely one pledge — not to raise the 5 percent consumption tax for four years — may be broken, however unpalatable with voters, to give the government some breathing space, although with an Upper House election looming in July, this levy will undoubtedly stay as is for now.

The DPJ-led government is trying to stick to its pledges, lest it be labeled inconsistent, like its most recent LDP predecessor administrations, including the last one, led by former Prime Minister Taro Aso, whose flip-flopping on key issues invited harsh criticism.

Hatoyama has been trying to solicit public forgiveness, telling reporters adjustments are part of life.

"In a sense, democracy is about swaying," he said Thursday, explaining the importance of adjusting and adapting.

He has also acknowledged the DPJ may still have an opposition party mind-set, even though it is now in charge.

"I've been feeling a strong sense of responsibility," Hatoyama said of his first half year at the helm. "The weight of responsibility is palpable, much more than I expected."

Hatoyama's first months in office received widespread attention, with Cabinet members announcing drastic turnarounds from LDP policies.

A symbolic move was infrastructure minister Seiji Maehara's announcement that the administration will abide by the DPJ campaign pledge for last summer's election to end construction of Yamba Dam in Gunma Prefecture.

"(The cancellation) is written in our (campaign) manifesto, so we will terminate the dam project," Maehara said the day after the Cabinet was sworn in, even though 70 percent of the ¥460 billion project had already been paid.

Boasting the motto to shift spending priorities "from concrete to people," the 2010 fiscal budget currently undergoing Diet deliberations looks to up welfare spending nearly 10 percent to ¥27.27 trillion, while slashing public works projects by more than 18 percent to ¥5.77 trillion, the lowest level in 32 years.

But while progress has gained praise, the fiscal 2010 budget draft is far from what was originally pitched to voters.

The DPJ initially predicted it could fulfill its pledges without additional expenditure, but trimming wasteful spending did not achieve this.

Hatoyama was forced to backpedal on key promises, including his vow to end a provisional gas tax and to make expressways toll-free.

In media polls, Hatoyama's approval rate shot up to over 70 percent immediately after he took power — a notable feat considering the DPJ had zero experience in running a government. But the pendulum quickly swung the other way, with his support rate now under 40 percent, and for the first time sliding below his disapproval rate.

"I believe the numbers are reflecting the lack of tangible outcomes following the regime change," Chief Cabinet Secretary Hirofumi Hirano acknowledged earlier this month while touching on the poll results.

Hidekazu Kawai, a professor emeritus at Gakushuin University, counsels patience, noting the DPJ will need at least a year to make substantial progress after taking over from the LDP and re-creating government systems from scratch.

But while the DPJ may argue it needs time to follow through on its pledges, the political funds scandals embroiling Hatoyama and DPJ Secretary General Ichiro Ozawa are testing the public's patience, he said.

"That is truly what caused the (popularity) bubble to burst" for the DPJ, Kawai explained, touching on Hatoyama's unregistered donations from his mother as well as the shady nature of cash paid into Ozawa's fund management body, some of which went toward a dubious land buy. Aides of both Hatoyama and Ozawa were arrested and indicted for alleged violation of the Political Funds Control Law.

The two scandals caused far more damage to the administration and let voters down, he said.

"That (Ozawa) scandal could shake up things, possibly even force Ozawa to resign," Kawai said. The scandal — and not the lack of progress in policies — could hurt the DPJ in the July Upper House election and lead to a reorganized ruling bloc, he added.

Jun Saito, an associate professor of political science at Yale University, said the DPJ's inexperience in creating economic policies was visible during the first half-year. The party must demonstrate a long-term agenda to sell to the public, he warned.

"For the long run, the DPJ needs an economic policy to enhance Japan's productivity. It should reallocate resources from the LDP's pork-barrel slush funds to put toward education, research and development and economic infrastructure," Saito said.

Another key DPJ goal yet to show significant progress is lessening the involvement of bureaucrats in policymaking.

Hatoyama acted quickly to cancel a weekly meeting between administrative vice ministers that channeled Cabinet decisions and policymaking, while also calling off routine news conferences by top bureaucrats to lay bare that government-appointees were in charge.

But the administration's installation of Jiro Saito, a former vice finance minister, to the Japan Post Holdings presidency raised eyebrows for running counter to the pledge to weaken the bureaucrats.

"The DPJ came out bureaucrat-bashing, but has so far remained unable to figure out how to make use of the bureaucrats," Gakushuin University's Kawai said. It could take more time for the administration to truly establish effective control over them, he added.

Diplomatic challenges also loom for the DPJ.

While claiming ties with Washington are the cornerstone of diplomacy, the relocation of U.S. Marine Corps Air Station Futenma remains a thorny, open question.

Hatoyama hopes to convey the government's plan by the end of May, but a pragmatic resolution that satisfies both Okinawa and the United States seems a long shot.

"The new administration has been doing well with China and South Korea, and given that the Japanese economy is more dependent upon these two economies, the DPJ has been doing reasonably well," Yale University's Saito said. But he warned Futenma will remain a Tokyo-Washington snag as long as the issue remains unresolved.

As its public support dwindles, some DPJ ranks are voicing concern over the July election, which could determine the fate of the Hatoyama Cabinet.

Yale's Saito said if the DPJ fails to secure a comfortable majority in the poll, it may opt to sever its coalition ties with the Social Democratic Party and take on New Komeito in order to gain more policy flexibility, as the latter lacks a salient foreign policy preference.

"Forming a coalition with Your Party is also a possibility," Saito said, predicting a regime change if the DPJ doesn't get down to business quickly.

Six-month progress report on coalition poll wish list

Tuition-free high schools

The Diet is making progress to pass a bill in time for the April start of the school year, but debate over including pro-Pyongyang schools is clouding the process.

Monthly child allowances

After debate on whether to provide allowances to high-income families, the government is preparing to distribute by the April start of the fiscal year half of the ¥26,000 monthly payment to parents for any child up to and including junior high schoolers. He has also said he would not oppose extending the same payments to children in institutions.

Drastic cuts in wasteful budgetary spending

The DPJ pledged in its election campaign last summer to eliminate "wasteful spending" and generate new fiscal resources of ¥9.1 trillion from the ¥207 trillion in the fiscal 2009 general and special account budgets.

But a key task force under Prime Minister Yukio Hatoyama succeeded in trimming a mere ¥690 billion from the general account, while the 2010 budget hit a record high of ¥92.3 trillion and the government is facing a greater fiscal crisis.

Introduction of toll-free expressways

The government will test the impact of toll-free expressways at selected locations beginning in June. But the chance of nationwide implementation is unclear and critics say making all turnpikes free would run counter to efforts to achieve emissions-reductions goals. Railroads and ferry companies also oppose toll-free turnpikes, as they face revenue shortfalls.

Lessening the administration's dependency on bureaucrats

Visible changes include terminating news conferences by bureaucrats as well as axing weekly meetings between administrative vice ministers. But Hatoyama's new national strategic office, created to manage cross-ministerial issues and government policies, still has not established its

identity. The DPJ's appointment of a veteran former bureaucrat to lead Japan Post received criticism.

Measures to combat climate change and creating new industries

Although Hatoyama announced a 25 percent carbon dioxide emission reduction from 1990 levels by 2020 that eclipses previous proposals by LDP administrations, specific measures to realize the goal are unclear.

Pension system overhaul

A proposal to create a passbook system intended to record pension payments is still in the making. The government began discussions earlier this month on a planned public pension system involving a minimum-guaranteed benefit program.

(The Japan Times) Lower House passes tuition, allowance bills

Legislation moves closer to fulfilling DPJ election pledges

The House of Representatives passed bills at a plenary session Tuesday to provide monthly allowances to families raising children and make tuition free for students at public high schools.

The administration of Prime Minister Yukio Hatoyama hopes the package of bills, which, if enacted, will fulfill key promises the Democratic Party of Japan made during last summer's election campaign, will clear the Upper House by the end of March.

Meanwhile, the budget for the fiscal year starting April 1, now before the Upper House, is expected to clear that chamber on March 24 or 26 with the support of the DPJ-led coalition, the lawmakers said.

The child allowance bill, which applies only to fiscal 2010, will provide households ¥13,000 a month for each child of junior high school age or younger during the coming fiscal year. The bill has been amended to consider providing allowances for children living at welfare institutions — who were excluded in the original version — based on an agreement reached last week between the ruling bloc and New Komeito.

The allowance is to be paid three times during the fiscal year from April through March — in June, October and February — making the first disbursement possible before the July Upper House election, if the legislation is enacted.

The DPJ has promised to pay ¥26,000 a month for each child from fiscal 2011 onward and plans to submit another bill to the ordinary Diet session that starts next January to make good on that campaign pledge, although where the funding will come from remains unclear.

The other bill passed Tuesday would waive tuition at public high schools run by local governments.

The bill has a clause stating that the government may review the program three years after the law takes effect.

Under the tuition bill passed by the Lower House, private schools and central government-run schools would also receive subsidies of roughly between ¥120,000 and ¥240,000 per student per year, depending on household income.

The bill has sparked heated controversy over whether pro-North Korea high schools for Korean residents should be eligible for the subsidies, which the government aims to offer from the April 1 start of the academic year.

Certain political circles say pro-North schools should not get the tuition waiver due to Pyongyang's abductions of Japanese in the 1970s and '80s. The schools, however, claim they had nothing to do with the kidnappings. Most of the abductees remain unaccounted for.

The government plans to set up an outside panel to make recommendations on how to deal with the Korean schools after the bill clears the Diet.

(The Japan Times) Futenma scuttles visit by Campbell

WASHINGTON (Kyodo) Assistant Secretary of State Kurt Campbell has canceled his talks with Japanese government officials, scheduled for Wednesday, the U.S. government said Monday, fueling speculation that the decision is linked to a stalemate over the relocation of a U.S. Marine base in Okinawa.

Campbell was scheduled to visit Japan during his current Asian trip, which has included stops in Singapore, Malaysia, Laos and Indonesia.

With chances for substantive progress on the matter slim in the near term, some observers have interpreted the abrupt cancellation of the visit as a calculated move.

Campbell's trip to Japan will be rescheduled for a future date, Assistant Secretary of State for Public Affairs Philip Crowley told a press briefing.

The State Department spokesman said Campbell's visit to Japan was canceled due to a change in his travel plans. But it is rare for a senior U.S. diplomat to cancel a planned visit at the last minute.

A senior State Department official said Campbell, who left Washington on March 7, also canceled his second visit to Thailand following one last week, due apparently to unrest in the country.

Prime Minister Yukio Hatoyama, asked by reporters in Tokyo if he believes Campbell's abrupt cancellation is related to the stalled base relocation issue, said only, "Mr. Campbell's matter does not fall under our category."

Campbell, who is in charge of East Asian and Pacific affairs, had been expected to exchange views with Japanese officials over the contentious issue of relocating U.S. Marine Corps Air Station Futenma.

(The Japan Times) LDP defection not likely to shift power balance

Kunio Hatoyama's exit gives opposition clear deck for attacks

The Monday defection of Kunio Hatoyama from the Liberal Democratic Party has caused a stir in the former ruling party that for most of the postwar era was an electoral juggernaut. But experts and lawmakers say it is unlikely to create a fundamental power shift.

The ruling Democratic Party of Japan, for its part, seems less than impressed. The younger brother of Prime Minister Yukio Hatoyama "is touting a change of government, but he probably means a realignment of the LDP," DPJ Diet Affairs Committee Chairman Kenji Yamaoka told reporters Tuesday.

The veteran lawmaker insisted the DPJ is unaffected by the younger Hatoyama's decision, and maintained the ruling bloc is untroubled by strife in the opposition.

Monday's move wasn't the first for Kunio Hatoyama, 61.

He resigned from the Lower House in 1999 in an unsuccessful run for Tokyo governor. In 1993, he walked away from the LDP, later joining a non-LDP government led by Prime Minister Tsutomu Hata.

Whether his latest exit pays off depends on if others follow him, with big names including Yoichi Masuzoe and Kaoru Yosano frequently criticizing LDP President Sadakazu Tanigaki. So far, Masuzoe and Yosano have kept mum.

While they acknowledge the LDP has hit a snag, observers say it would be difficult for dissenters within the party to unite.

"After all, the people who criticize Tanigaki are the same people who elected Tanigaki as their leader in the first place," political analyst Minoru Morita told The Japan Times.

"In truth, this is all about some of the LDP members not being able to tolerate their role as the opposition," he said, noting dozens of lawmakers opted to leave when the LDP briefly lost power in the mid-1990s.

Hatoyama's move so far doesn't seem to have inspired others to follow him, with some media reports already predicting that Hatoyama may have trouble finding the minimum five lawmakers needed to form a political party.

Kunio Hatoyama's defection "is not something that would lead to a change of government anyway," analyst Morita said, noting the move, at best, will probably end with the formation of a minor party that will eventually be absorbed by a larger one.

In addition to weathering criticism from LDP executives and analysts, Hatoyama's decision also drew a rebuke from the DPJ on Tuesday.

State Minister Yoshito Sengoku called Hatoyama's decision "10 years too late," saying his reasons for leaving the LDP at this point are unclear.

Chief Cabinet Secretary Hirofumi Hirano told reporters he has no plans of cooperating with Kunio Hatoyama, while the prime minister has so far had nothing kind to say about his younger brother's decision.

But Hatoyama's departure could, ironically, work in the LDP's favor, allowing it to separate itself from the political funding scandal that has ensnared the Hatoyama family.

While the prime minister has seen his former secretaries arrested over unregistered donations made by his 87-year-old mother, the LDP's grilling had been tempered by the fact that Kunio also received ¥3.6 billion from the family matriarch between 2003 and 2008.

With Kunio out of the picture, Tanigaki and the LDP won't have to pull their punches.

"If the number of (people) who follow Kunio Hatoyama's steps is limited, unity within the LDP could grow stronger," analyst Morita also said. "Such a scenario could weaken the positions of (Tanigaki opponents) Yosano and Masuzoe within the party."

(The Japan Times) LDP rebels talk

Former Finance Minister Kaoru Yosano, a veteran lawmaker of the Liberal Democratic Party who is critical of the top opposition party's leadership, held talks Tuesday with former internal affairs minister Kunio Hatoyama, who resigned from the LDP the previous day.

Yosano and Hatoyama, both Lower House members, talked briefly on the chamber's floor. Hatoyama later declined to elaborate on their conversation, but asked if they talked about forming a new party, he told reporters, "We can talk eye to eye."

Hatoyama also exchanged words with his brother, Prime Minister Yukio Hatoyama, in the chamber. But Kunio denied that they discussed a possible partnership.

(The Japan Times) Foreign Ministry task force studies ways to improve document disclosure

The Foreign Ministry launched a task Tuesday force to discuss ways to improve the disclosure and management of diplomatic records after a recent investigation into Japan-U.S. secret pacts highlighted problems in the handling of such documents.

Foreign Minister Katsuya Okada said after the task force met for the first time that he hopes to draw a conclusion on the issue before the July House of Councilors election.

The task force, headed by Okada, may craft an ordinance to enable diplomatic documents that have been kept undisclosed for 30 years or longer to be released to the public in principle.

It will also consider how to improve management of such documents and reinforcing the diplomatic record disclosure system by increasing the number of staff handling the task.

The move came after a Foreign Ministry panel set up to look into the alleged Japan-U.S. secret pacts proposed in its report that the ministry consider ways to ensure its basic policy of disclosing 30-year-old diplomatic documents is followed.

More than 20,000 documents that are 30 years old or older have not yet entered the ministry's disclosure screening process.

The panel also said it is undesirable that diplomatic events related to Japan are made public through the documents of other countries.

The panel also found during its investigation that many key documents were missing, while a media report said there was an internal order at the ministry to dispose of some documents related to the recently confirmed secret nuclear pact.

(The Japan Times) In-country nukes a crisis option: Okada

Foreign Minister Katsuya Okada on Wednesday did not rule out the possibility nuclear weapons may be brought into Japan by U.S. forces in a future crisis, while reiterating that the government still adheres to the nation's three nonnuclear principles.

"In a case in which Japan's security cannot be protected unless we accept temporary port calls by U.S. ships carrying nuclear weapons, the government at that time would make a decision, even if it may affect its political fortunes," Okada told a parliamentary committee.

The issue of bringing of nuclear arms into Japan has drawn renewed attention after a recent investigation conducted by a Foreign Ministry panel acknowledged "a tacit agreement" was reached between Japan and the United States during the Cold War in which Tokyo allowed U.S. nuclear-armed vessels to visit Japan's ports.

(The Japan Times) Clinton, Okada to meet this month

WASHINGTON (Kyodo) U.S. Secretary of State Hillary Rodham Clinton will meet with counterpart Katsuya Okada in Washington or Canada in late March during his trip to a Group of Eight foreign ministerial gathering, a senior State Department official said Tuesday.

Assistant Secretary of State for East Asia and Pacific Affairs Kurt Campbell unveiled the plan as he met reporters at Dulles International Airport on the outskirts of Washington on his return from an Asian tour.

If realized, it will be the first meeting since Clinton and Okada held talks in Hawaii in January when the two leaders agreed to further deepen the bilateral alliance as it marks its 50th anniversary this year.

Clinton and Okada are expected to discuss the relocation of a U.S. Marine base in Okinawa and the strengthening of bilateral ties.

Campbell said the United States hopes to discuss not only the issue of Okinawa but also a wider range of global issues, suggesting Iran's nuclear ambitions or climate change may also be taken up during the talks.

Campbell also indicated he may visit Japan for talks with officials in April, following his abrupt cancellation of a trip to Japan that had been planned for Wednesday as part of his Asian swing.

The assistant secretary dismissed speculation that he opted not to visit Tokyo at a time when the DPJ-led government is still struggling to find an alternative site for U.S. Marine Corps Air Station Futenma.

Campbell said he changed his travel schedule to prepare for an overseas trip by President Barack Obama from Sunday. Obama will travel to Guam, Indonesia and Australia.

Japan and the U.S. agreed in 2006 to transfer the aircraft operations of the Futenma base in Ginowan to the Henoko coast of Camp Schwab in the less densely populated city of Nago by 2014.

But Prime Minister Yukio Hatoyama's government is reviewing the accord.

The base row has been the sticking point between the two countries, with Tokyo struggling to find an alternative site to host the marine base and Washington urging Tokyo to stick to the existing plan.

Campbell reiterated the U.S. position, saying Washington will cooperate with Tokyo if it receives a formal proposal from Japan.

Foreign ministers from Britain, Canada, France, Germany, Italy, Japan, Russia and the United States will gather in the resort city of Gatineau, Quebec, on March 29-30 to discuss a range of global issues.

(The Japan Times) Roberts says Broncos have underachieved

Three teams are in the hunt for the Eastern Conference's fourth and final playoff berth. But in a month a clearer picture should emerge as to which team will be the favorite.

Right now, though, the Toyama Grouses (14-22), Saitama Broncos (13-24) and Tokyo Apache (13-24) all have a legitimate shot at earning a playoff spot.

The Tokyo-Saitama series began on Wednesday and wrapped up on Thursday at Yoyogi National Gymnasium No. 2. The Broncos, coming short on a spirited fourth-quarter comeback, dropped the opener 88-82.

It was their 12th single-digit loss of the season, and their fourth loss in five games against Tokyo. Call it a microcosm of the Broncos' entire season.

"All we can do right now is keep our heads up and keep battling," said Saitama center Terrence Roberts, speaking after his team's home loss to the Oita HeatDevils on Sunday. Oita swept Saitama last weekend.

Roberts believes Saitama's troubles boil down to a simple fact: The team has under-achieved. He said first-year coach Masato Fukushima has done the best job he can.

"I really felt like the coach has the utmost confidence in his players, and really at the same time we haven't really been getting it done as a unit this year," said Roberts, who played college ball at Syracuse University in New York. "I felt like he did the best of his ability to keep us together and keep us working hard to try to get to the playoffs.

"His ultimate goal for us was he wanted to pretty much keep the same team he started with. He felt we had the talent early and things just really haven't gone our way.

"He wants us to be able to fight through it to the best of our abilities and make it happen."

Roberts isn't interested in making excuses for the Broncos' two-point loss on Saturday and their seven-point defeat on Sunday.

"It was tough," he said. "We can sit around and we can try to blame the refs, we can try to blame coaching, we can try to blame this or we can try to blame that, but in the end, we just didn't get it done.

"Yesterday (Saturday) we had ample opportunities and we had a bunch of times where we had fast-break layups we could have had and we ended up turning the ball over.

"We just have to be better as a unit. We have a lot of times in a lot of our games where we have two or three people on the same page, and the other two or three people (aren't). And a lot of the teams out here are good because they are better as a unit."

The rebuilding Broncos, without a core group of returning players, haven't found the proper mix of power and finesse to consistently beat other clubs.

"To me, the best teams in the league are the teams that have played together for maybe a year or two, so maybe they know each other a lot better," said Roberts, who's averaging 11.3 points per game.

"We first have to get that chemistry."

So what are the keys for Saitama to turn things around in the final weeks of the regular season?

"The keys for us are going to not just be for our Americans to stay consistent, but we are going to need two or maybe three Japanese players to really come up and be able to get in double figures in scoring," Roberts said.

"If you look at it, a lot of these other teams have that consistency from the natives, the Japanese players. They have a guy that comes in averaging over 10 points a game. I think our highest Japanese scorer right now is Taishiro (Shimizu) and he's at seven points per game.

"But we have to be more consistent and get it night in and night out. I really feel if we get that consistency from them it helps us, it opens the floor for us and that'll help us be more consistent..

"If you look at the games we've won, it's where Yuki (Kitamuki) has hit three or four 3-pointers, (Daiki) Terashita has had 16 or Jay (Kazuya Hatano) has come in and if he starts he gives us great minutes or if he comes off the bench he's giving us great minutes. . . . Those are the games we need more of."

Upcoming schedule: The Shiga Lakestars (21-19) play host to the Rizing Fukuoka (23-15) on Saturday and Sunday. Shiga is 1-3 against Fukuoka this season. The Sendai 89ers (24-12), meanwhile, will look to extend their winning streak to eight games in their opener against visiting Toyama.

Elsewhere, it's Oita (18-22) vs. the Takamatsu Five Arrows (11-27) and the Osaka Evessa (20-16) vs. the Kyoto Hannaryz (14-22).

The Hamamatsu Higashimikawa Phoenix (30-8), the Niigata Albirex BB (18-20) and the Ryukyu Golden Kings (26-14) have the weekend off.

The Phoenix have officially clinched a playoff spot, and the league recognized the accomplishment by crafting a blog entry about it earlier this week.

League accolade: Sendai forward Josh Peppers is the Circle K Sunkus Player of the Week, the league announced on Tuesday.

Peppers, who's averaging a team-high 17.1 points ppg, has helped the 89ers cement their place as the No. 2 team in the Eastern Conference. Last weekend, he had 17- and 19-point performances as Sendai earned a road sweep against Niigata.

In the series opener, the former University of Central Florida standout also blocked three shots in Sendai's 68-57 win.

Peppers has scored in double digits in 13 of 14 games since making his season debut in January. In eight of those contests, he's attempted five or more free throws, a reminder of his ability to create headaches for opposing defenses.

The Marshall Plan: By adding veteran leader Mikey Marshall to the mix, the Lakestars have picked up a versatile standout, a guy who helped Osaka win its third title in 2007-08.

"He's a solid player offensively and defensively," Shiga center Ray Schaefer said at Yokohama Cultural Gymnasium, when the Lakestars faced the Apache in their series opener on March 6. "And on top of that, he's a veteran who knows how to win. . . . He knows a lot of the Japanese guys as well."

Teammates and foes have spoken highly of Marshall in the past, and that has continued since his March return to Japan.

"I vouch for that already," Schaefer said. "He respects himself, he respects others. He's the kind of person that attracts respect.

"He's a smart defender, a good shooter and a clever passer."

Marshall has played in the Middle East over the past season and a half and was working out in Texas when Shiga offered him a contract for the remainder of the season.

In Marshall's first four games, he's scored 12, 16, 17 and 24 points, helping Shiga post a 3-1 record in that span. He's averaging just over 6.0 rebounds per game and swatted three shots in the Lakestars' win last Sunday over the Grouses.

Impressive condition: Hannaryz guard Mahmoud Abdul-Rauf's 41st birthday on March 9 didn't go without notice.

Oita coach Brian Rowsom, for one, considers the veteran guard's performance this season to be something special.

After all, players a dozen years younger than Abdul-Rauf, who is scoring 16.7 ppg this season, struggle to put up equally solid numbers. He's had four 20-point outings in the past five games.

"He's 41 years old and he's playing pretty good," Rawson said on Sunday in Tokorozawa, Saitama Prefecture, before his team boarded a bus and returned to Kyushu. "I'm 44 and I can't run one time (down the court), so he's doing very good to play this long.

"He took care of his body, though, so that's very important."

Difficult choice: Broncos coach Fukushima isn't ready to decide which player is Saitama's MVP this season. He'll wait until the season's over to finalize his choice.

For now, though, he says Mario Jointer and Roberts have been the team's most consistent players.

Steady defender: Masahiro Kano, whose role with the Rizing Fukuoka doesn't include a lot of high-scoring games, has quietly made his mark as a defensive standout.

Kano is averaging 1.8 steals per game. That's good enough for the eighth-best total in the league. He has three five-steal games this season and a seven-steal game as well.

Playoff-bound teams always have role players, and Kano is filling his role consistently.

Special TV program: GAORA has produced a TV program that highlights the humble beginnings of the Ryukyu Golden Kings as an expansion team two seasons ago to the league's championship team under Dai Oketani in his first season as coach in 2008-09.

"The Miracle of the Golden Kings" will debut on March 29 from 7 p.m. to 8 p.m.

Repeat broadcasts, also in Japanese, are scheduled for March 31 (7 a.m. to 8 a.m.), April 3 (12:45 p.m. to 1:45 p.m.), April 7 (11 a.m. to noon) and April 18 (4:30 p.m. to 5:30 p.m.).

The last word: "We're really going to fight for that final playoff spot. It starts in practice. In games, we realize that we have no margin for error." — Matt Lottich, Oita guard on the team's uphill battle to secure a playoff spot.

(The Japan Times) Okada, Kouchner talk Iran, N. Korea

Foreign Minister Katsuya Okada met Thursday with his French counterpart, Bernard Kouchner, ahead of a Group of Eight meeting in Canada later this month and said the two shared "serious concerns" over Iran's nuclear program.

Okada also told the French foreign minister that Japan hopes to join an international treaty over child custody as early as possible to address custody problems involving Japanese and non-Japanese parents. Japan has been criticized for shielding Japanese parents who abduct their children from their homes overseas and bring them to Japan.

The foreign ministers also discussed the situation in North Korea during their talks in Tokyo, with Kouchner telling Okada that although France plans to open a nongovernmental office in Pyongyang, it has no intention of establishing diplomatic ties with North Korea at present.

"Japan and France mostly share the same opinion on diplomatic issues," Kouchner said at a joint press conference following their meeting. Their talks touched on a wide range of issues, including climate change.

On the Iranian nuclear issue, Okada said: "We shared serious concerns. We also agreed that we have to stand strong over this issue."

Okada also said the seriousness of the problem would be "immeasurable" if Iran obtains nuclear weapons, adding Japan would "not hesitate" to implement a new resolution against Iran if one is adopted by the U.N. Security Council.

But both ministers stressed the need to continue dialogue with Tehran.

Kouchner said at a separate press conference earlier in the day that China, a veto-wielding member of the U.N. Security Council, has "refused" to consider further sanctions against Iran but he hopes to "get a result one of these days."

Speaking at the Foreign Correspondents' Club of Japan, Kouchner said that France plans to open an office in North Korea to help nongovernmental organizations working there, noting the office is "not an embassy."

The official Korean Central News Agency said in December that North Korea had agreed to a French proposal to open an office in Pyongyang as a first step toward normalizing bilateral relations.

France is the only major country in the European Union that does not have diplomatic ties with North Korea.

On the international child abduction issue, Japan is considering joining the 1980 Hague Convention on the Civil Aspects of International Child Abduction.

The convention calls on member countries to promptly return abducted children to their habitual country of residence, and seeks to ensure parents have access to their children.

Japan is the only country among the Group of Seven industrialized nations that is not a party to the convention.

(The Japan Times) Axed DPJ exec calls again for Ozawa to go

Democratic Party of Japan Vice Secretary General Yukio Ubukata on Friday called again for Ichiro Ozawa, the party's scandal-tainted No. 2, to step down, a day after the party decided to dismiss him from his party post for criticizing Ozawa and the leadership.

"He (Secretary General Ozawa) should explain (the funds scandal) to people again, and if the number of voters who think he should resign does not drop even after that, he must step down," Ubukata told reporters in Tokyo.

"Otherwise, we cannot (prevail) in the House of Councilors election," he said.

Ubukata, a House of Representatives lawmaker, also complained about the party's decision to discharge him from the executive post.

"It is truly ridiculous," he said. "If the party tries to handle such a situation by sacking people who denounce the leadership, that would not help revamp the party," he said.

But Prime Minister Yukio Hatoyama, who leads the DPJ, has basically accepted the party's decision, telling reporters Friday that if DPJ members criticize the party from the outside, "we cannot maintain discipline in the party."

In an attempt to brush aside the view that the DPJ is trying to rein in those critical of Ozawa, Hatoyama said he welcomes any "free and vigorous" exchange of opinions, but it must be done within the party.

Ubukata warned, however, that many other DPJ members feel frustrated about not being able to talk freely within the party.

"I wonder if the DPJ is doing OK under the leadership of Mr. Hatoyama, who cannot say anything about Mr. Ozawa," when many voters are dissatisfied with Ozawa remaining in the post despite the funds scandal, Ubukata said.

The feud over the lawmaker has sparked controversy among DPJ members, including key Cabinet ministers.

Yukio Edano, minister in charge of government revitalization for administrative reforms and a vocal critic of Ozawa, said, "I am sure this will not work as a plus for the DPJ and the administration."

(The Japan Times) Nuke pact files may have been chucked

Ex-key diplomat testifies about missing documents

A former senior Foreign Ministry official testified Friday in the Diet that key documents related to the secret nuclear pacts between Japan and the U.S. that he had filed were missing, and suggested they were deliberately destroyed.

Kazuhiko Togo, a former Foreign Ministry Treaties Bureau chief, and three others were called to give unsworn testimony before the Diet.

This is the first time witnesses have been called to testify about the nuclear deals, which the government routinely denied existed until the Democratic Party of Japan last year ousted the long-ruling Liberal Democratic Party and the new administration ordered a probe into the pacts.

The testimony follows a recent report compiled by a government panel that determined that three out of four alleged secret accords indeed existed, including one allowing port calls by U.S. ships carrying nuclear weapons without prior consultation, in violation of Japan's official nonnuclear principles.

While Togo was head of the bureau between 1998 and 1999, he said he had filed 58 documents and specially marked 16 as important. But out of the 16, half were not found, including a record of a meeting between Japanese and U.S. officials during which the U.S. explained its policy of not confirming the whereabouts of its nuclear arms.

"I have heard from a person who was thought to have been very familiar with the internal situation at the Foreign Ministry that some related documents were discarded before the information disclosure law took effect" in 2001, Togo told the Lower House Committee on Foreign Affairs. He didn't identify the source.

Since the end of World War II, there has been strong antinuclear sentiment in Japan.

In 1967, then Prime Minister Eisaku Sato announced Japan's three nonnuclear principles — not to possess, produce or allow the entry of nuclear weapons.

But the government panel indicated nuclear arms were likely brought into Japan in the past despite those principles, for which Sato was awarded the Nobel Peace Prize in 1974.

Togo said Friday that while he headed the Treaties Bureau, he was of the belief that atomic weapons were brought into Japan before 1991, when then-U.S. President George H.W. Bush announced tactical nuclear arms would be removed from U.S. warships.

But Togo declined comment on whether this view was commonly shared at the ministry.

"Japan had been caught in a bind — because of public sentiment, it could not accept such arms entering Japan, but it also needed to maintain the relationship with the U.S. over security," Togo said.

The U.S. and Japan "agreed to avoid pursuing the issue (of whether nuclear arms were brought into Japan) too far, and, as a result, Japan's security was guaranteed."

The three other witnesses were former Vice Foreign Minister Kunihiko Saito, former Lower House member Hajime Morita and former Mainichi Shimbun reporter Takichi Nishiyama, who was convicted of violating the public servant law by obtaining a confidential document from a ministry worker.

The document revealed a secret accord between Tokyo and Washington in 1972, under which Japan agreed to shoulder \$4 million in costs related to the reversion of land plots to their owners in Okinawa.

Saito testified that he believed there was a "difference in understanding" between the U.S. and Japan over the introduction of nuclear weapons into Japan, but said the Foreign Ministry did not disclose the secret pacts to avoid damaging bilateral relations.

"It would not be good if by chance, (the disclosure) were to have a negative influence on the Japanese government or diplomacy," Saito said. "To put it in simple terms, I think we were too careful over the decision (to not disclose the pacts)."

Morita served as secretary to the late Prime Minister Masayoshi Ohira, who was involved in the secret nuclear pact. He said Ohira had been worried about the secret nuclear pact problem.

Economic Frontage

Detailed News;

(The Japan Times) January output revised upward

Kyodo News

The government Friday revised upward industrial output data for January, saying production at factories and mines grew 2.7 percent from the previous month, compared with an earlier reported 2.5 percent rise.

The revision was largely due to upgraded figures from transport equipment makers, including carmakers, and in the chemical industry, said the Ministry of Economy, Trade and Industry. The output index rose for the 11th consecutive month to 92.1, against a base of 100 for 2005.

METI also revised upward the shipment and inventories indexes.

The shipment index rose 2.7 percent to 92.9. In a preliminary report published Feb. 26, METI said it had gained 2.4 percent.

Suspect Prius eludes Fed, Toyota testers

Mixed reports cast doubt on driver's story

SAN DIEGO (AP) Investigators with Toyota Motor Corp. and the federal government were unable to make a Toyota Prius speed out of control as its owner said it did on a California freeway, according to a memorandum obtained Saturday by AP that a congressional spokesman says casts doubt on the driver's story.

James Sikes, 61, called police on March 8 to report losing control of his Prius as the hybrid reached speeds of 151 kph. A California Highway Patrol officer helped Sikes bring the vehicle to a safe stop on Interstate 8 near San Diego.

Federal and Toyota investigators who examined and test-drove the car could not replicate the problems Sikes said he encountered, the memo said.

The findings raise questions about "the credibility of Mr. Sikes' reporting of events," said Kurt Bardella, a spokesman for California Rep. Darrell Issa, the top Republican on the House Oversight Committee, which is looking into the incident.

Sikes could not be reached to comment. However, his wife, Patty, said he stands by his story.

"Everyone can just leave us alone," she said. "Jim didn't get hurt. There's no intent at all to sue Toyota. If any good can come out of this, maybe they can find out what happened so other people don't get killed."

She said the couple's lives have been turned upside down since Monday and they are getting death threats.

"We're just fed up with all of it," she said. "Our careers are ruined and life is just not good anymore."

The March 8 incident appeared to be another blow to Toyota, which has had to fend off an intense public backlash over safety after recalls of some 8.5 million vehicles worldwide — more than 6 million in the United States — because of acceleration and floor mat problems in multiple models and braking issues in the Prius. Regulators have linked 52 deaths to crashes allegedly caused by accelerator problems.

During two hours of test drives Thursday, technicians with Toyota and the National Highway Traffic Safety Administration failed to duplicate the same experience that Sikes described, according to the memo prepared for the Oversight Committee.

"It does not appear to be feasibly possible, both electronically and mechanically, that his gas pedal was stuck to the floor and he was slamming on the brake at the same time," the memo stated.

The brakes on the Prius also did not show wear consistent with having been applied at full force at high speeds for a long period, the Wall Street Journal reported Saturday, citing three people familiar with the probe, whom it did not name. The newspaper said the brakes may have been applied intermittently.

Toyota Corp. spokesman Mike Michels declined to confirm the Journal's report. He said the investigation was continuing and the company planned to release technical findings soon.

Michels said the hybrid braking system in the Prius would make the engine lose power if the brakes and accelerator were pressed at the same time.

Transportation Department spokeswoman Jill Zuckman said investigators "are still reviewing data and have not reached any conclusions."

Sikes called police from the freeway on March 8 and reported that his gas pedal was stuck and he could not slow down. In two calls that spanned 23 minutes, a dispatcher repeatedly told him to throw the car into neutral and turn it off.

Sikes later said he had put down the phone to keep both hands on the wheel and was afraid the car would flip if he put it in neutral at such high speed.

The officer — who eventually pulled alongside the car and told Sikes over a loudspeaker to push the brake pedal to the floor and apply the emergency brake — said Sikes' braking coincided with a steep incline on the freeway.

Once the car slowed to 80 kph, Sikes shut off the engine, the officer said.

The memorandum obtained by AP said when investigators placed the Prius up on a lift, they found the driver side front wheel well was dislodged and the brake pads were worn down. "Visually checking the brake pads and rotor, it was clearly visible that there was nothing left," the memo said.

Drivers of two other Toyota vehicles that crashed last week said those incidents also resulted from the vehicles accelerating suddenly.

China also opposes tuna ban

TOKYO - JAPAN on Tuesday said it has China's support in opposing a global ban on trade in Atlantic bluefin tuna that is now being debated at an international meeting in Qatar.

Agriculture, Forestry and Fisheries Minister Hirotaka Akamatsu said that 'we will do our best' to block a trade ban, which has US and European Union support, at the world talks on wildlife protection.

'China has not announced its stance officially, but is actively lobbying other countries to oppose' the ban, Mr Akamatsu told reporters in Tokyo. 'There also are countries which are neutral or wavering,' he added.

Japan has been pushing its case at the meeting of the 175-nation Convention on the International Trade in Endangered Species (Cites). In Seoul on Monday, the Japanese vice farm minister, Masahiko Yamada, pressed his South Korean counterpart to support Japan's position.

'The Tokyo side made sure that Seoul will continue cooperating with Japan on this issue,' an official said in Tokyo.

So far, fewer than 40 of the approximately 150 countries in Doha have declared their intention to back a ban. The issue will be debated on Thursday, but a vote is unlikely before next week, officials said. A ban would require a two-thirds majority of the countries present. – AFP

8k orders for CR-Z sports hybrid

YOKOHAMA (Japan) - HONDA Motor Co said on Tuesday it had received about 8,000 orders for the CR-Z sporty hybrid car in Japan after less than three weeks on the market, or eight times the monthly sales target of 1,000 units.

The two-door compact, which went on sale in Japan on Feb 26, is the second in a line of low-cost hybrid cars from Japan's No. 2 automaker and is scheduled for launch in North America and Europe this summer.

Honda has said it expects to sell 40,000-50,000 of the CR-Z a year worldwide.

Of the orders received in Japan, 40 per cent of customers chose the six-speed manual transmission version in what Honda officials said indicated a popularity among sports car enthusiasts. Nearly 100 per cent of cars sold in Japan are automatic.

Honda trails Toyota Motor Corp by a wide margin in hybrid sales, with the low-cost Insight selling just 3,500 units last month, compared with 27,000 for its rival's flagship Prius. – REUTERS.

Toyota eyes German car race

NAGOYA (Kyodo) Toyota Motor Corp. President Akio Toyoda is considering taking part in a 24-hour endurance race in Germany in mid-May as a member of the Lexus LFA supercar's racing team, as he did last year, Toyota officials said Monday.

Toyoda, who is spearheading the automaker's efforts to regain consumer trust in its vehicle quality after a series of safety problems, may take the wheel if Toyota's global recalls continue as planned, industry observers said.

Earlier in the day, the automaker announced a list of seven drivers for its racing team for the 38th endurance race at the Nurburgring Circuit from May 13 to 16.

Although the name of the 53-year-old Toyoda was not included, a Toyota spokesman said it is possible the president could be added to the list of the GAZOO Racing team.

The spokesman said, "It has not yet been determined (whether Toyoda will participate)."

Last May, Toyoda competed in both the qualifiers and final of the Nurburgring race — driving the Lexus LFA 4.8-liter V-10 supercar — before he assumed the automaker's presidency June 23.

Toyoda drew flak at the time from critics both inside and outside the company who said he should be aware of his responsibility as head of the giant automaker, which incurred a huge loss in the 2008 business year to March 31, 2009.

But Toyoda decided to take the wheel anyway to log more data on the LFA under the grueling racing conditions of the Nurburgring Circuit.

At the time, he said his participation would enable Toyota to "benefit many customers because we'll apply the knowhow we accumulate through this event to our production models."

JAL taps pilots for early retirement

Struggling Japan Airlines Corp. offered an early retirement program for pilots Tuesday as part of its downsizing plans for rehabilitation under court protection from creditors.

In the first early retirement program for pilots since its integration with Japan Air System Co. in 2002, JAL will accept voluntary retirement applications from pilots aged 35 and over from March 18 through April 16, the carrier said.

JAL, which filed for bankruptcy protection in January, plans to initiate early retirement programs to cut its workforce by 2,700 people. They include 1,700 employees at Japan Airlines International Co., the group's key flight service unit. It earlier offered a similar program for nonpilot employees at JAL International.

Kan to BOJ: work with us to curb deflation

Finance Minister Naoto Kan repeated a plea for the Bank of Japan to work with the government on reversing a decline in prices that threatens the economic recovery.

"Fiscal policy focusing on stimulating demand will have some impact against deflation," Kan said in the Diet as the BOJ began a two-day meeting in Tokyo. "The central bank can make an inflationary impact with monetary policy."

Kan has been pressing the BOJ to do more as his ability to spur the recovery is constrained by a public debt burden that's approaching 200 percent of gross domestic product. BOJ Gov. Masaaki Shirakawa and his colleagues will expand a ¥10 trillion credit program for lenders at the meeting, according to 12 of 17 economists surveyed by Bloomberg.

National strategy minister Yoshito Sengoku also urged the central bank to consider ways to support an economy as it tries to rebound from its deepest postwar recession.

"The BOJ's monetary-policy decisions can have a significant impact on people's sentiment," Sengoku told reporters in Tokyo on Tuesday. "I hope they implement policies that would be positive for production activity, capital investment and consumer spending."

Consumer prices have declined for 11 straight months as supply outstrips demand. Kan has said he wants prices to resume rising this year, while the BOJ forecasts they will keep falling through the year ending March 2012.

Eisuke Sakakibara, the nation's former top currency official, said Tuesday in the Diet that policymakers' options for fighting deflation were limited because it is not a monetary phenomenon.

"There isn't much leeway to control it with policy" because price declines are being driven by 'structural factors,' " Sakakibara said.

The BOJ unveiled the lending measures in December after the yen surged to a 14-year high of 84.83 against the dollar and government ministers, including Kan, urged the BOJ Policy Board to escalate the fight against deflation. A separate facility that offers lenders unlimited collateral-backed loans is scheduled to expire at the end of this month.

The board will keep the benchmark interest rate at 0.1 percent at this week's gathering, all 17 analysts predicted.

Kan said stable currency moves are desirable and he is prepared to act should markets move in an "abnormal manner." Foreign-exchange rates should be determined by financial markets "in principle," he added.

Japan hasn't stepped into the currency market since 2004.

More funding?

Kyodo News

The Bank of Japan began a two-day Policy Board meeting Tuesday, with market players closely awaiting its decision on whether to ease its ultraloose monetary policy further to combat deflation, and if so, what measures it will take.

The BOJ is widely expected to keep its key interest rate on hold at 0.1 percent, the level it has maintained since December 2008.

The key focus of the meeting is whether the BOJ will take additional steps, such as the expansion of the ¥10 trillion funding program it introduced in December, to pump more money into the financial system, in response to the government piling pressure on the central bank to do more to combat deflation.

Sources said the BOJ is leaning toward introducing additional monetary easing due to growing concerns that sentiment among both companies and consumers has cooled since November, when the government declared the economy to be in deflation, making the escape from declining prices a more difficult proposition.

But there is also a possibility the central bank may hold off any new policy action this time to check key upcoming data, including the BOJ's "tankan" business confidence survey due out April 1, before taking additional steps.

In the case of the BOJ taking further steps, the most likely option will be expanding the fund supplies for its newly introduced fixed low-interest loan program beyond the current cap of ¥10 trillion, or extending the duration of the loans beyond three months.

Under the funding program, the central bank has been offering financial institutions three-month loans at a fixed interest rate of 0.1 percent against collateral such as government bonds and corporate debt. The BOJ decided on the funding scheme at an emergency policy meeting in December in reaction to the yen's sharp appreciation against the dollar amid concerns over debt problems in Dubai.

The economy has been showing signs of a recovery, with real gross domestic product expanding at a 3.8 percent annualized pace in the last quarter of 2009, but prices have continued to fall.

The core consumer price index, which strips out volatile fresh food prices, fell in January for the 11th consecutive month.

Deepen US-ASEAN ties

WASHINGTON - THE United States should deepen its trade and investment ties with Southeast Asia as there appears to be a growing disconnect between its strategic and its economic presence in the region, Deputy Prime Minister Teo Chee Hean has said.

'There is a 'de-sync' between what is happening in the strategic arena and what is happening in the economic arena,' he noted in a speech at the Centre for Strategic and International Studies (CSIS), a prominent think-tank in Washington, on Monday.

'While the United States remains an important strategic partner for many Asean countries, China is overtaking the US in terms of trade and investment ties.'

In the past six to seven years, for instance, the US has slipped from being Asean's top trading partner to being No. 4 in the rankings currently.

It is also lagging behind in terms of trade integration with the region, particularly given the pace with which other major economies, such as Japan, China, South Korea and India, have completed free trade agreements (FTAs) with Asean.

Meanwhile, China has become Asean's third-largest trading partner. The China-Asean FTA, which went into effect this year, has also created the world's largest free trade area by population.

(The Straits Times) BOJ frees up cash, keeps rate

TOKYO - JAPAN'S central bank doubled the amount of cash it would make available to banks on Wednesday while keeping interest rates at a record low as it tries to kickstart a stuttering economic recovery.

Under government pressure to help fight deflation, the Bank of Japan said it would extend emergency steps taken in December by boosting its short-term loan facility to 20 trillion yen (S\$307.3 billion).

The facility offers three-month loans at 0.1 per cent against collateral such as government bonds and corporate debt. However, the bank surprised markets by not extending the loan duration to at least six months.

The decision, after a two-day policy meeting, came as the economy claws out of its worst post-war recession in a recovery that has been hobbled by falling consumer prices and weak consumption.

The BoJ held its benchmark interest rate unchanged at 0.1 per cent, a level it has kept since December 2008, the height of the global financial market meltdown.

The bank said: '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.' '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,' it added, maintaining its earlier view. – AFP

Fed action boosts markets

HONG KONG - THE US Federal Reserve's decision to keep interest rates low for some time and an anticipated further loosening of monetary policy by the Bank of Japan helped Asian stocks higher on Wednesday.

There was also some cheer from Europe, where the threat of a downgrade for Greece's debt rating was lifted, while European Union finance chiefs backed a plan to help the troubled nation.

Tokyo shares were 0.69 per cent higher by the break, while Hong Kong was up 0.74 per cent and Sydney added 0.73 per cent.

Japan's central bank was due later on Wednesday to wrap up a two-day policy meeting with speculation strong that it will announce fresh measures to provide more money to banks to boost the stuttering economy and fight deflation. It is also widely expected to keep interest rates at record low levels in a bid to maintain Japan's recovery from deep recession.

'The overall mood is positive, although the market has already priced in hopes for monetary easing,' Mr Yutaka Miura, senior technical analyst at Mizuho Securities, told Dow Jones Newswires.

Shanghai added 0.38 per cent in early trade, with continued bargain hunting following recent losses, although gains were capped by lingering concerns Beijing will move to tighten liquidity. There were also strong gains in Seoul, Taipei and Singapore.

KUALA LUMPUR

Share prices on Bursa Malaysia closed higher on Wednesday with the benchmark index sustaining above the 1,300 points level, supported by gains in selected blue chips, dealers said.

The benchmark FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) closed 3.09 points higher at 1,301.95, after opening 4.18 points better at 1,303.04.

HONG KONG & CHINA

Hong Kong stocks rose 1.72 per cent on Wednesday after the US Fed said it would keep rates low for some time, while the Bank of Japan raised the amount of cash available for banks to borrow.

The benchmark Hang Seng Index rose 361.56 points to 21,384.49. Turnover was HK\$65.88 billion (S\$11.8 billion).

Chinese shares closed up 1.93 per cent, led by miners following overnight gains in metal prices, dealers said.

The Shanghai Composite Index, which covers both A and B shares, was up 57.64 points to 3,050.48 on turnover of 105.0 billion yuan (S\$21.4 billion).

TOKYO

Japan's Nikkei stock index rebounded to an eight-week high on Wednesday as investors took heart from further monetary easing steps by the nation's central bank.

The benchmark Nikkei 225 stock index rose 125.27 points, or 1.2 per cent, to 10,846.98, the highest finish since Jan. 21. The broader Topix index gained 1 percent to 947.43.

'While the bank's move was widely expected, it heartened investors as it shows the Bank of Japan's action and resolve to tackle deflation and support the economy,' said Yutaka Miura, senior strategist at Mizuho Securities Co. Ltd. -- AFP, BERNAMA

No rethink of SDF arms constraints

Kyodo News

Prime Minister Yukio Hatoyama said Wednesday he has no intention of rethinking restrictions on weapons use by Self-Defense Forces elements deployed to U.N. peacekeeping operations.

Under the current interpretation of the law enabling the deployment of the SDF and other personnel for U.N. peacekeeping activities, use of weapons is limited to self-defense.

Hatoyama said the government would consider reviewing the rule "if necessary," but told reporters, "At this point, I personally have no intention of changing" the interpretation.

Foreign Minister Katsuya Okada said Tuesday that constitutional limits on the use of force overseas stem from the lesson that in the past Japan had used force unilaterally in the name of self-defense.

"I have been saying that as long as force is not used at (Japan's) own discretion or that of other countries, and (the SDF is engaged in) peacekeeping operations approved by the United Nations, we may change the degree to which weapons can be used," Okada said at a news conference.

Hatoyama said Wednesday he is aware of Okada's view.

For the SDF to be dispatched on U.N. peacekeeping missions, the situation on the ground must meet certain conditions, including a ceasefire.

(BBC News) Nissan Leaf electric car to be built in Sunderland

Nissan's Leaf is expected to guarantee employment for hundreds

Nissan is to build its new electric car - the Leaf - at its Sunderland plant, the Japanese company has announced.

Hundreds of jobs are expected to be safeguarded once production begins in 2013 - part of a £420m investment in electric cars.

The investment is backed by a £20.7m government grant and up to £220m from the European Investment Bank.

Ministers have also backed Ford's planned £1.5bn investment in cleaner engines with £360m in loan guarantees.

'Vote of confidence'

About 50,000 Nissan Leaf hatchbacks, which run entirely on lithium-ion batteries, will roll off the Sunderland production line a year.

Lord Mandelson said the development was a "fantastic vote of confidence" in the plant and its "excellent workforce".

ANALYSIS

Nissan had already said that it would invest some 200m euros in a battery factory near its Sunderland manufacturing plant, yet it was never a given that the company would produce its Leaf electric car here too. Its investment in the region is now set to double.

The North East's efforts to gear up its electric motoring infrastructure and the UK government's recent decision to subsidise buyers of electric cars to the tune of £5,000 obviously helped the Japanese automotive giant make up its mind.

But in the end, the right to produce the car and thus secure thousands of jobs in an otherwise economically depressed region was earned by the Nissan factory's management and workers.

Why Sunderland got the Leaf

The North East eyes low carbon future

Trevor Mann at Nissan said the government had played "quite a significant role" in the carmaker's decision to build the Leaf in Sunderland.

"Not just in monetary terms, but also setting its stall out in terms of the infrastructure [needed to power electric cars]."

Sunderland had already been named as the site to produce Nissan's electric car batteries, creating 350 new jobs. About 60,000 batteries will be made there when production begins next month.

Lord Mandelson said: "By working together we can achieve our aim of making the UK a world-leader in ultra-low carbon vehicles."

Nissan said the Leaf hatchback would be the world's first affordable, mass-produced, zero-emission car.

Nissan senior vice president Andy Palmer said the car would go on sale later this year and the UK was the third country to produce the car after Japan and the United States.

Nissan's Sunderland plant is the UK's largest car factory, employing 4,000 people and producing about a third of the cars made in the UK.

It was founded in 1984 and built its five millionth vehicle in June 2008.

The car battery programme has already seen Nissan invest £179m there.

Last year, Nissan's chief executive Carlos Ghosn underlined his company's commitment to its electric cars programme.

"The electric car will account for 10% of the global market in 10 years," he told BBC News.

The firm has not yet revealed how much the Leaf will cost.

'Major investor'

Ford's plans involve an investment of more than £1.5bn in six projects across four sites.

They will safeguard about 2,800 skilled jobs at its research centre in Dunton, Essex, and its factories in Dagenham, Essex, Southampton and Bridgend in South Wales.

About a quarter of all Ford engines worldwide and over half of its diesel engines are produced in the UK.

Business Secretary Lord Mandelson said: "Ford is a major investor in research and development in the UK. The government stands ready and willing to support these innovative R&D projects backed by a highly skilled workforce."

100,000 postal temps may win option of becoming regular employees

Kyodo News

Japan Post Holdings Co. is considering giving regular employment status to about 100,000 of its groups' nonregular workers over a five-year period starting in April, sources said Wednesday.

The five group firms had around 437,000 workers as of last October, and about 200,000 of them were nonregular employees. If realized, the plan would expand personnel costs by about ¥300 billion annually, the sources said.

Many nonregular workers at the state-owned holding company, its mail and parcel delivery unit Japan Post Service Co., post office operator Japan Post Network Co., banking unit Japan Post Bank Co. and insurance unit Japan Post Insurance Co. perform duties similar to regular employees.

Shizuka Kamei, minister in charge of banking and postal services, has said there is a need to stabilize the employment of nonregular workers and to narrow the disparities between regular and nonregular employees.

The Japan Post group will ask nonregular workers if they want to become regular employees and switch the status of those who wish to do so, the sources said. According to Japan Post's studies so far, around 80,000 people are likely to switch to regular employment status, they said.

The company plans to put together a personnel plan to switch nonregular workers' status to regular employment by the time the government unveils later in March an outline of a bill to revise the present postal system privatization plan, the sources said.

To deal with the anticipated increase in the number of regular workers, Japan Post plans to reopen the Postal College, which has been effectively closed, to reinforce employee training as well as step up vocational training at its 10 training centers around the country, the sources said.

Honda brake recall targets 412,000 U.S. vehicles

NEW YORK (Kyodo) Honda Motor Co. said Tuesday it will recall about 344,000 Odyssey minivans and 68,000 Element small trucks due to a brake problem.

American Honda Motor Co. said the company filed the recall with the National Highway Traffic Safety Administration, citing complaints from customers who said brake pedals feel "soft" or that their distance from the floor when depressed gradually decreases.

In the affected vehicles — made for the 2007-2008 model years — the problem worsens very slowly, eventually requiring the driver to press the pedal close to the floor, Honda said.

Honda said the problem results from air getting into a part of the braking system called the vehicle stability assist modulator.

According to U.S. media, NHTSA has reported three crashes due to the problem with minor injuries and no deaths.

The latest recall came a month after Japan's second-biggest automaker recalled more than 420,000 vehicles in the United States and Canada to fix defective air bags.

In January, some 646,000 Honda Fit and Jazz vehicles were recalled worldwide due to a problem in their power window switch that could cause a fire if water gets into the door handle.

Toyoda won't race at Nurburgring

NAGOYA (Kyodo) Toyota Motor Corp. said Wednesday that President Akio Toyoda has decided not to take part in this May's 24-hour endurance race in Germany as a member of the Lexus LFA supercar's racing team.

Toyoda himself disclosed the decision Monday night in an entry of his blog called, "Driver Morizo's Blog."

The 53-year-old grandson of Toyota founder Kiichiro Toyoda raced in last May's race at the Nurburgring Circuit under the alias of Morizo, a mascot of the 2005 World Exposition in Aichi Prefecture, which is home to the automaker. He has written the blog under the alias.

The blog entry reads, "Although I, Morizo, regrettably will not participate in this year's 24-hour race, I am determined to provide utmost support to our team to help create excellent cars."

When the automaker unveiled Monday a list of seven drivers for its GAZOO Racing team for the 38th endurance race to be contested from May 13 to 16 in Nuremberg, south of Cologne, it did not carry Toyoda's name.

The automaker's public relations department confirmed Wednesday that the company's president does not intend to participate in this year's race.

(The Straits Times) GM Holden recalls 9,000 cars

SYDNEY - GENERAL Motors' Australian subsidiary GM Holden on Thursday recalled 9,000 Cruze sedans over a faulty fuel hose, after a raft of damaging glitches hit Japan's Toyota and Honda.

A company spokesman said some of the hoses on 1.8-litre MY10 JG Cruze models had sprung a leak, and some owners may notice leaking fuel, a petrol smell or loss of power. No accidents or injuries have been reported.

'A condition has been identified where, in some instances, the fuel feed hose may not have been manufactured correctly and could result in a fuel leak,' the spokesman said in a statement.

'We are aware of 71 cases of a reported fuel leak due to this condition.' The recall, which affects 9,098 cars in Australia and another 485 in New Zealand, comes after Toyota pulled eight million cars over accelerator and brake problems.

Honda has also recalled hundreds of thousands of vehicles over substandard brakes, exploding airbags and power windows which risked catching fire.

Daihatsu, a Toyota subsidiary, has been hit by similar problems. 'We regret any inconvenience caused. However, safety is our number one priority and it's our duty of care to inform customers as soon as an issue comes to light,' the Holden spokesman said. -- AFP

Panasonic's 3-D gamble pays off in U.S.

Panasonic Corp. said its 3-D TVs sold out in the U.S. in their first week, raising optimism the technology that helped the film "Avatar" break records at the box office will extend to living rooms and help boost profits.

The shortage is prompting the world's largest plasma TV maker to take back-orders from retailers, Hitoshi Otsuki, the senior managing director heading Osaka-based Panasonic's overseas operations, said in an interview Tuesday in Tokyo. He declined to specify figures. "It's a great opportunity to turn around our TV business," he said.

TV makers are betting movies such as James Cameron's "Avatar," the highest-grossing film of all time, and sporting events such as the 2010 FIFA World Cup will help drive demand for 3-D sets using improved technology. Still, a lack of programs and the need to use special eyewear, a reason that thwarted previous attempts to push adoption, may deter consumers.

"The quality of the top makers' 3-D TVs is quite good and they'll probably be well-received," Kota Ezawa, a Tokyo-based analyst at Citigroup Inc., said before Otsuki's comments. "Samsung, Panasonic and other top TV makers will probably sell about 1 million sets each in the coming year, mainly to people who like movies or new products and high-end users."

Panasonic became the first major TV maker to sell 3-D sets in the U.S. when its 50-inch full high-definition plasma TV went on sale at outlets of Best Buy Co. with a pair of glasses and a 3-D Blu-ray player for \$2,899.99 on March 10. Samsung Electronics Co., the world's largest TV maker, began offering a 55-inch 3-D model there for \$3,299.99 on March 14, while Sony Corp. plans to start selling 3-D Bravia TVs from June.

Samsung hasn't yet tracked its 3-D TV shipment figures, said Hwang Eun Ju, a spokeswoman at the Suwon, South Korea-based electronics maker.

Panasonic's TV operations had a loss of more than ¥10 billion in the quarter that ended Dec. 31. The business may turn profitable in the year ending next March, President Fumio Ohtsubo said March 3.

"Avatar" in January passed Cameron's "Titanic" to become the top-grossing movie worldwide and has taken in \$2.64 billion since its release, according to Box Office Mojo.

Walt Disney Co.'s "Alice in Wonderland," the Lewis Carroll tale directed by Tim Burton, made \$116.1 million in U.S. and Canadian ticket sales on its first weekend, the best opening for a 3-D film and the sixth-biggest debut ever, according to Hollywood.com Box-Office.

The biggest draw to 3-D for customers after the success of movies in the format "will be sport broadcasting," Otsuki said.

TV makers are counting on 3-D broadcasts of major sporting events to stoke demand. FIFA said in December it agreed with Sony to deliver 3-D images from as many as 25 matches of this year's soccer World Cup in South Africa.

Disney's ESPN 3-D will start in June and broadcast 85 live events the first year, the Bristol, Conn.-based sports network said in January. Discovery Communications Inc., Sony and Imax Corp. announced a venture at the time to introduce a 3-D channel in 2011.

Global shipments of 3-D TVs may reach 4.2 million this year and more than triple to 12.9 million in 2011, according to researcher ISuppli Corp. Revenue from the sets may more than double to \$20 billion next year, according to ISuppli.

Samsung has said it aims to sell more than 2 million 3-D TVs this year, while Panasonic expects to sell as many as 1 million globally in the year starting April 1. LG Electronics Inc. has said it's targeting sales of 400,000 3-D TV sets in 2010.

Sony, which said last week it plans to sell at least 25 million TVs in the year starting in April, predicts sales of 3-D sets will probably account for about 10 percent of the total.

"It will probably take a long time for 3-D TVs to expand broadly, maybe about three years," said Ichiro Michikoshi, an analyst at electronics research firm BCN Inc. in Tokyo. "There isn't enough content and consumers dislike wearing the glasses. Those issues will take time to be solved."

¥80 billion target BLOOMBERG Panasonic Corp., which acquired a controlling stake in battery maker Sanyo Electric Co. in December, may boost annual profits by more than ¥80 billion in three years by merging operations.

"Toward the end of this month, we'll gather the sort of benefits we'll generate by the merger," Hitoshi Otsuki, a senior managing director in charge of Panasonic's overseas operations, said in a Tuesday interview in Tokyo. For the year ending in March 2013, "¥80 billion is our target officially and we will definitely achieve it," he said, adding it's "definitely possible" to aim for a higher amount.

Sanyo's solar batteries, strong presence in Vietnam and close relationship with Wal-Mart Stores Inc., the world's largest retailer, will likely help Panasonic beat its original target, Otsuki said. The world's largest maker of plasma televisions made its biggest acquisition last December, paying ¥403.8 billion for 50.2 percent of Sanyo, the No. 1 manufacturer of lithium-ion rechargeable batteries.

"Panasonic hasn't disclosed details of the synergy plan," Kazuharu Miura, an analyst at Daiwa Securities Capital Markets Co. in Tokyo, said Wednesday. "I'm waiting to see how each of the company's businesses will benefit from the acquisition and how much the overall profit will expand."

The purchase will likely boost Panasonic's operating profit, or sales minus the cost of goods sold and administrative expenses, by ¥80 billion in the 12 months ending in March 2013, the company said in December 2008 when it first disclosed the purchase plan.

The two companies aren't discussing additional job cuts and may sell some of their assets as they consolidate operations, Otsuki said. Panasonic has no plan to make Sanyo a wholly owned unit, he added.

Last month, Osaka-based Panasonic raised its operating profit forecast by 25 percent, as cuts in fixed and material costs lead to a recovery in earnings from consumer electronics and appliances.

Operating profit will probably reach ¥150 billion in the year ending March 31, compared with an earlier forecast of ¥120 billion, Panasonic said Feb. 5. Sales may total ¥7.35 trillion, 5 percent more than previously projected.

Analysts expect the company to post a net income of ¥115 billion in the year starting April 1, from a loss of ¥130 billion, according to the median of 19 estimates compiled by Bloomberg.

Japan Tobacco eyes India to offset shrinking market at home

Bloomberg

Japan Tobacco Inc., the world's third-largest publicly traded cigarette maker by volume, wants to expand production in India as the smoking rate declines in its home market.

The company has been waiting for government approval to make additional investments in its venture in India since June 2008, Executive Deputy President Masakazu Shimizu said Tuesday in Tokyo. "It's to expand production and sales locally," he said, declining to provide details or the planned investment amount.

The Tokyo-based maker of Mild Seven cigarettes is boosting overseas sales as a declining smoking rate and higher taxes stifle demand in Japan. India has about 120 million smokers, more than four times the number in Japan.

"Our expansion has been delayed as there are two sides in Indian politics: one wants to promote foreign investment, the other wants to curb it," Shimizu, 56, said.

India may prohibit foreign direct investment in tobacco companies, the Economic Times reported Feb. 18, citing unidentified government officials.

Japan Tobacco wants to raise its stake in JT International India Private Ltd. to 74 percent from 50 percent, according to the company.

The government plans to raise tobacco taxes for the first time in four years in October as it tries to discourage smoking in Japan. The government will raise the duty by ¥3.5 per cigarette with tobacco companies able to charge an extra ¥1.5.

"Overall demand may plunge by 20 percent because of the tax increase," Shimizu said. Japan Tobacco will raise the price of some brands by more than ¥100 a pack to help offset falling demand, he said.

The company, which is 50 percent government owned, trails Philip Morris International Inc., which was spun off from Altria Group Inc., and British American Tobacco PLC in production volume.

(Reuters) Japan Kamei: No guarantee credit rating firms are fair

TOKYO, March 19 (Reuters) - Japanese Banking Minister Shizuka Kamei blasted credit rating firms on Friday, saying there is no guarantee that their ratings are fair and neutral.

"They are getting paid to provide their ratings. There is no guarantee that their ratings are fair and neutral," Kamei told the parliament, when asked about recent warnings from credit rating firms on Japan's deteriorating fiscal position.

(The Japan Times Online) 2010 auto sales to hit 33-year low

Domestic sales of cars, trucks and buses in fiscal 2010, beginning in April, are expected to drop 4.9 percent from the previous year to a 33-year low of 4,649,600 units, the Japan Automobile Manufacturers Association said Thursday.

It would be the lowest level since around 4.23 million units were sold in fiscal 1977, with demand expected to taper off after government subsidies for fuel-efficient vehicles expire in September.

"While the subsidies will expire in the first half (of the financial year), we hope auto sales will be supported as economic conditions recover fully through various measures," JAMA Chairman Satoshi Aoki said, citing the Bank of Japan's decision Wednesday to further ease its monetary policy.

Aoki, who doubles as chairman of Honda Motor Co., also called for government steps to stabilize the currency market. A stronger yen erodes the profits Japanese carmakers make abroad when repatriated.

The industry body also said domestic vehicle sales for the current business year ending this month are likely to rise 4.1 percent from fiscal 2008 to 4,891,600 units.

Despite sluggish economic conditions, JAMA said demand was boosted by government tax breaks and subsidies for the purchase of energy-saving cars.

Sales of about 900,000 units in fiscal 2009 and about 700,000 units in fiscal 2010 are anticipated thanks to the government measures, according to the association.

JAMA also officially named Nissan Motor Co. Chief Operating Officer Toshiyuki Shiga as its next chairman. He will succeed Aoki when his term expires in May.

Officials from Toyota Motor Corp., Honda and Nissan take turns to head the association every two years.

Honda looks to give hybrids a lithium-ion charge

Bloomberg

Honda Motor Co., the nation's second-largest carmaker, plans to introduce lithium-ion battery-powered hybrid cars as it struggles to narrow Toyota Motor Corp.'s lead in sales of gasoline-electric cars.

Honda plans to use lithium-ion batteries in its Civic compact "within the next two to three years," as well as in its Acura luxury cars and other models, Executive Vice President Koichi Kondo said earlier this week.

Honda has failed to match Toyota's success with hybrids, led by the top-selling Prius. Lithium-ion batteries can store as much as twice the energy of the nickel-metal hydride batteries that currently power the Prius and Honda's Civic, Insight and CR-Z hybrid models, said Takeshi Miyao, a supply-chain analyst for auto consultant Carnorama in Tokyo.

"Lithium will become a lot more prevalent," Kondo said at the company's headquarters in Tokyo. The lithium-ion batteries will be produced with Honda's joint-venture partner, Kyoto-based GS Yuasa Corp., starting in the second half of this year, he said. The venture is 49 percent owned by Honda.

Honda's Insight fell short of the company's global sales target of 200,000 units in the first year after its February 2009 debut. Deliveries totaled 143,015 as of last month.

Toyota's third-generation Prius replaced the Insight as the best-selling car in Japan after its release last year. Toyota sold 27,008 Priuses in February, compared with Honda's 3,517 Insight deliveries.

In the U.S., Toyota sold 7,968 Prius cars last month, compared with Honda's 2,014 Insights. The hybrid version of the Civic sold 346 units. The larger Prius is more fuel-efficient than Honda's hybrids, according to U.S. Environmental Protection Agency data.

Honda Chief Executive Officer Takanobu Ito said in July the carmaker is developing a new hybrid system to be installed in midsize and large vehicles. The company will also add a hybrid version of its Fit subcompact later this year, using nickel-metal batteries.

While similarly sized lithium-ion batteries may cost 30 percent more than nickel-metal hydride cells, carmakers may be able to find savings by using smaller packs because of their higher energy density, Miyao said.

Lithium-ion costs will also decline as technical advances are made and production increases, according to research company Fuji Keizai Group.

Nissan Motor Co. will roll out its first battery-powered car, the Leaf, this year in Japan, the U.S. and Europe. Chief Executive Officer Carlos Ghosn predicts electric vehicles will account for 10 percent of global car sales by 2020.

BOJ loan program likely to please politicians more than deflation foes

Bloomberg

The Bank of Japan's decision to double the size of a liquidity program for banks may prove more effective in placating the government than stemming deflation.

The bank Wednesday increased its three-month lending facility for banks to ¥20 trillion, a "monetary easing" that may help reduce borrowing costs and bolster corporate sentiment, BOJ Gov. Masaaki Shirakawa said at a Tokyo press briefing.

There's little sign that the initial effort helped the economy: Bank lending has fallen for three straight months, prices took a record tumble and wages dropped. Where the initiative did win plaudits is among politicians — Prime Minister Yukio Hatoyama, whose ruling Democratic Party of Japan faces a July Upper House election as his poll numbers subside, welcomed the move.

"You can provide liquidity to banks but they don't have to lend," Joseph Stiglitz, the Columbia University economist and Nobel laureate, said in an interview when asked whether the BOJ is doing enough to defeat deflation.

Central banks in Japan and the United States "have to rethink the fundamentals" and work with governments to force banks to extend more credit, he said.

The BOJ's move is "a signal of cooperation, but it's not effective expansionary monetary policy" because demand remains too low for companies to increase investment, said Martin Schulz, senior economist at Fujitsu Research Institute in Tokyo. Hatoyama "is under extreme pressure going into the election, and it would be a declaration of war toward the government" had the central bank done nothing, he said.

The BOJ Policy Board also kept the benchmark overnight lending rate at 0.1 percent.

The government may keep pressing the BOJ to do more, and next month offers a fresh opportunity to take additional steps. The bank will have updated economic projections and quarterly surveys of business and household confidence.

Hatoyama told reporters Wednesday he hopes the central bank will take action to defeat deflation, and said the BOJ's step was in line with what the Cabinet anticipated. Finance Minister Naoto Kan said the decision shows the bank is "stepping up efforts to fight deflation."

Kan has been leading calls for monetary action as his ability to inject fiscal stimulus is constrained by record public debt. Shirakawa, for his part, said Wednesday that "monetary policy alone can't beat deflation."

"I wish there was a miracle, but all we can do is persist with our efforts" to reverse the drop in prices, which will "take time," the governor said.

Shirakawa's next move may be to extend the period of the loans to six months or a year, said Yasunari Ueno, chief market economist at Mizuho Securities in Tokyo.

Loan-relief tsunami

Nine major Japanese banks said they received a total of 37,736 applications as of Jan. 31 from small and midsize corporate debtors and individual mortgage holders seeking to soften the terms of outstanding loans.

The law relaxing debt conditions for such borrowers took effect Dec. 4.

The applications cover debts totaling ¥1.63 trillion, according to the nine banks, which belong to Japan's six megabanking groups.

The debts of 11,758 applicants, or some 30 percent of the total, have already been rescheduled by the nine banks, which took such measures as granting a moratorium on repayments of principal portions of their outstanding debts.

DPJ caught on the horns of a fiscal dilemma

While the Democratic Party of Japan-led government secured the passage of the ¥92.3 trillion fiscal 2010 budget this month, the party still faces a fiscal dilemma given its election pledge to realize ¥16.8 trillion worth of policy measures at a time when social security costs are ballooning.

Analysts are concerned how the DPJ will address the potential crisis, especially with attention focused on the economic debacle overwhelming Greece recently.

It will be difficult for the debt-ridden government to keep drafting massive budgets without drastically cutting extra spending, achieving economic growth or raising the consumption tax — all daunting, if not impossible, or politically suicidal, challenges for the DPJ, analysts say.

"Seeing the DPJ's budget drafting process, fiscal discipline is weak," said Toshihiro Ihori, an economics professor at the University of Tokyo.

"I thought the party would do more to cut spending."

During last summer's election campaign, the DPJ attacked the then ruling Liberal Democratic Party for what it called years of wasteful spending and the piling up of debt, and pledged to streamline the bureaucracy and save ¥9.1 trillion by curbing public-works budgets, civil servant payrolls and subsidies to quasigovernmental bodies.

But the fiscal 2010 budget compiled by the DPJ has amounted to ¥92.3 trillion, the highest-ever level, financed by the issuance of a record ¥44 trillion in new Japanese government bonds. At the same time, few cuts in spending have been achieved.

Yoshito Sengoku, minister in charge of the National Policy Unit, said the party plans to achieve the cuts in spending during the four years of the Lower House members' term, not in fiscal 2010 alone.

Sengoku said the government had difficulty in drafting the budget because tax revenue fell dramatically amid the global economic slump to only ¥37 trillion, against the initial projection of ¥46 trillion.

Another major factor for the budget's expansion is the DPJ's campaign pledges, including a ¥26,000 monthly allowance for every child until graduation from junior high school, and an income indemnity for farmers.

For fiscal 2010, the DPJ set a child allowance of ¥13,000.

Due to the severe fiscal conditions, the party gave up or scaled down some of its campaign pledges, one of which was to eliminate the ¥2.5 trillion annual gasoline tax.

Prime Minister Yukio Hatoyama appears to be caught between piling up JGBs and delivering on the party's campaign pledges.

Because the DPJ loudly trumpeted its promises while campaigning for last year's general election, it is now difficult to renege on such generosity, including the allowances for child-rearing households and toll-free expressways.

Hatoyama has meanwhile indicated it may be impractical to deliver on every promise, particularly the full child allowance, if this further exacerbates the goal of reining in the issuance of government bonds.

Hisakazu Kato, a professor of economics at Meiji University and an expert on finance, said the DPJ must weigh the viability of its costly pledges against the limited financial resources available and the snowballing government debt.

The accumulated public debt is projected to exceed ¥862 trillion at the end of fiscal 2010, or about 180 percent of the country's gross domestic product.

The ratio is by far the worst among developed countries and many analysts have even started warning the government could default in the future.

"It is hard to believe they drafted such a big budget when there is very limited tax revenues," Kato said, adding the dependence on JGBs is too heavy.

The ¥92.3 trillion budget comprises ¥53 trillion in general spending, ¥17 trillion in revenue transfers to local governments and ¥20 trillion in payments for rapidly growing government bonds.

The ¥53 trillion for general spending is also a record high, and more than half — ¥27 trillion — is to cover ballooning social security costs as society ages.

According to the Health, Labor and Welfare Ministry, the social security budget is now projected to keep growing by ¥1 trillion every year, which experts say is one of the biggest threats for the nation's fiscal sustainability.

In addition, social security expenses will grow even bigger if the DPJ distributes the full amount of child allowance in line with the party's pledge to shift spending "from concrete to humans," which it says means emphasizing social security-related budgets, rather than public-works construction.

This declared shift makes it unlikely the DPJ will drastically reduce social security spending, as the party has also stressed the importance of widening the social safety net, although analysts argue there is still much room for technical cuts in spending.

"There are many budget areas that can be cut. There are lots of hidden problems in the (budget) system," said Kato, suggesting the basic pension for wealthy elderly people could be cut and monthly child allowances capped.

University of Tokyo professor Ihori noted the DPJ-led government has relaxed the criteria for welfare applicants.

"I am not saying make the criteria stricter, but the government has to come up with a way to connect the system with self-reliant efforts," Ihuri said.

"The (social security) assistance indeed helps (people) in the short term, but what's risky about welfare is that some people depend too much on it and get stuck," he said. "If that happens, beneficiaries can lose motivation to work."

Ihuri added that spending cuts that increase the burden on ordinary citizens may be unavoidable, but a politician who sides with austerity measures may face a voter backlash.

"But it is the responsibility of politicians to make such cuts for the future. If they sweet-talk everyone and say they won't be burdened, only the bureaucrats, there will be no financial resources," Ihuri said

Ihuri said the civil servant payroll is considered another candidate for cuts. The payroll budget for central governmental officials is ¥5.1 trillion, and that for local governments officials comes to ¥21.7 trillion.

Ihuri argued that personnel costs for public workers at local governments are still higher compared with the private sector.

If there is neither a consumption tax hike nor a drastic cut in spending, economic growth will be the only viable solution to improve fiscal conditions.

But many economists are pessimistic, given Japan's sluggish growth rate in the past 10 years and the expected population shrinkage in the coming decades.

Kato warned that when social security costs increase, this has a negative impact on economic growth, and thus the budget for social security should be drafted more efficiently.

He also pointed out that the conventional stimulus package financed by massive government spending may not work in the current economy, as people are worried about ballooning public debt.

It might instead work better if the government raises the sales tax and maps out a firm fiscal reconstruction plan to wipe out consumer anxiety of the future, he said.

While the government will announce the midterm fiscal policy framework by the end of June, Cabinet members have shown more optimistic views on fiscal reconstruction. Finance Minister Naoto Kan advocated spending to stimulate the economy for a few more years.

But experts doubt the financial resources are available for such activity.

"Without a drastic cut in spending and a consumption tax hike, I wonder if the government can draft a budget for the next three years," said Ihuri.

IBM Japan disputes ¥30 billion back tax

Compiled from Kyodo, Bloomberg

IBM Japan Ltd. is suspected of failing to declare more than ¥400 billion in income through the use of the so-called tax consolidation regime, sources said Thursday.

The amount of income allegedly undeclared by the group is believed to be the largest ever, they said.

The National Tax Agency is expected to impose more than ¥30 billion in back taxes, the sources said.

IBM Japan, a wholly owned company of IBM AP Holdings, has acknowledged receiving a notice from tax authorities about the correction of the group's income. IBM AP Holdings is a wholly owned subsidiary of IBM Corp. of the United States.

The IBM Japan group plans to file an objection with the National Tax Tribunal seeking repeal of the notice.

"IBM has fully paid all taxes required under Japanese law," Minako Ito, a Tokyo-based spokeswoman for IBM Japan Ltd., said by telephone Thursday. "IBM intends to file an appeal of the tax assessment."

The tax consolidation scheme the IBM Japan group has adopted allows a parent company and its wholly or majority-owned companies to file tax reports as a single entity.

IBM Japan allegedly traded its own shares with IBM AP Holdings, which suffered a huge loss through the transactions. The IBM Japan group then allegedly offset the parent company's losses with IBM Japan's profits to underreport the group's income, the sources said.

"All IBM transactions adhere to Japanese tax law," Ito of IBM said.

A spokesman for the National Tax Agency, who declined to give his name, citing agency policy, would not confirm whether IBM is under investigation.

IBM Japan is a major developer of computer hardware and software and also a major provider of information technology services.

Founded in 1937, IBM Japan currently has capital of ¥135.3 billion. It posted sales of ¥1.133 trillion in 2008. Its workforce stands at about 16,000.

The National Tax Agency began to allow companies to adopt the tax consolidation regime in April 2002 as part of efforts to help Japanese corporations enhance their international competitiveness.

Socio-cultural Façade

Detailed News:

(The Korea Times) Japan's first Spelling Bee winner bound for U.S. finals

Students from international schools across the country competed Saturday in Japan's first-ever Spelling Bee, battling to correctly spell English words and book a ticket to the finals in the United States.

Sonia Ann Schlesinger, 13, emerged as the winner among the 55 contestants aged 6 to 14 from 28 international and U.S. military base schools.

The competition was hosted by The Japan Times under authorization from E.W. Scripps Co., which organizes the annual National Spelling Bee contest in Washington, D.C.

"I'm really happy because this is what I love to do," said Schlesinger, an American who goes to Nishimachi International School in Tokyo. She said she often studied online to prepare for the competition.

Schlesinger will now take part in the National Spelling Bee in Washington, D.C., in June. "I'm so excited about going to the U.S.," she said.

The winning word Schlesinger spelled correctly in the final round was "Croesus," which means a very rich man.

The runnerup was Sofie Yui Kanematsu, a 14-year-old at Hiroo Gakuen in Tokyo, whose parents are Singaporean and Japanese.

U.S. Ambassador to Japan John Roos attended the award ceremony and congratulated the winner.

"I watch the national competitions every year," the ambassador said, referring to the National Spelling Bee in the U.S. "I'm totally blown away by what these students accomplished."

In the U.S., the Spelling Bee is a well-known contest in which young participants, called "spellers," compete to spell words correctly.

The rules are simple. After a "pronouncer" says a word, contestants have to spell the word out loud within a set time period. They are allowed to request a definition, sentence, part of speech, language of origin and alternate pronunciation.

But, once they've begun, the spellers cannot go back and start spelling the word again. Contestants are eliminated when they get a word wrong.

Saturday's competition grew more tense as participants gradually fell by the wayside.

Many said they felt extremely nervous in front of a large audience.

"It was nerve-racking," said Non Kuramoto, a 14-year-old student at Hiroo Gakuen. "At first I thought I got (the word) wrong, so I thought, 'Oh my God,' " she said. Runnerup Kanematsu, her classmate, agreed. "It was really scary. I was nervous," she said.

But they said studying for the competition after school with a teacher was fun. "There were words that I usually don't come across, like German-origin words," said Kuramoto. "Those are really interesting, and some of the definitions were also really funny."

Competition winner Sonia Ann Schlesinger, 13, faces Spelling Bee judges at The Japan Times on Saturday. Schlesinger will take part in the National Spelling Bee finals in Washington, D.C., in June.

Keerti Palanisamy, who goes to K International School, also said she felt nervous.

"But I realized I knew most of the words I already studied, so I relaxed later," she said.

"I didn't know it was going to be this big a deal until our names came out in the newspapers, so I took it easy. But then, last week I studied two hours a day," said the 12-year-old Indian student, who made it to the sixth round.

The National Spelling Bee in the U.S. first began in 1925 with nine contestants in Washington, D.C., according to Scripps.

Its popularity has grown since then, and the participants doubled between 1980 and 1990. In recent years, the event has become even more prestigious and popular, partly due to prime-time media coverage.

Scripps states that its purpose is to help students improve their spelling, increase their vocabularies and develop correct English usage.

The 2009 U.S. final included international participants from Canada, China, South Korea, Jamaica and New Zealand, among other countries.

The Japan Times Bee was supported by the Embassy of the United States, the America-Japan Society, the American Chamber of Commerce in Japan and Stars & Stripes.

The event was sponsored by Costco Wholesale Japan Inc., Temple University Japan Campus, Asian Tigers Japan, CACTUS Education and To the Moon and Back.

(The Japan Times) Billions spent on flu shot oversupply

Japan has a surplus of 99 million shots of imported H1N1 flu vaccines, bought for ¥112.6 billion, health ministry officials said Saturday.

The Health, Labor and Welfare Ministry is negotiating the cancellation of part of the purchases with GlaxoSmithKline PLC of Britain and Novartis AG of Switzerland.

The government concluded the purchase contracts last October under the premise that two shots would be necessary for one person, but the number of necessary shots was later revised to one in most cases.

Combining the imported vaccines with 54 million shots of domestically made vaccines, there are now more vaccines than the entire population of 127 million.

The 2.34 million shots of Novartis-made vaccines are going to expire at the end of March, with only 136 shots administered in a total of four of the 47 prefectures.

(The Japan Times online) Child-allowance, tuition-waiver bills clear panel

Parliamentary panels Friday endorsed a bill to provide child-rearing allowances and another to waive tuition at high schools, upholding key pledges the ruling Democratic Party of Japan made in last year's election campaign.

The House of Representatives Health, Labor and Welfare Committee approved the bill to offer parents ¥13,000 a month for each of their children of junior high school age or younger in fiscal 2010, which starts April 1.

Earlier this week, the ruling coalition — the DPJ, Social Democratic Party and Kokumin Shinto (People's New Party) agreed to expand the scope of the allowances to children at child-care institutions and add a clause to that extent, as requested by New Komeito.

The Japanese Communist Party also supported the bill, while the Liberal Democratic Party, the main opposition force, was against it.

"It is quite regrettable that (the ruling bloc) railroaded the two bills through the committees without enough deliberation," LDP President Sadakazu Tanigaki said Friday.

Tanigaki also criticized the ruling camp for failing to secure permanent funds to cover the programs, which he claims will result in today's children having to shoulder the debt in the future.

The ruling bloc aims to vote on the bill in a Lower House plenary session Tuesday and enact the law by the March 31 end of the current fiscal year so it can start the payments in June — before the crucial House of Councilors election the following month.

Under the bill, allowances would also be provided to households of foreign residents who have children residing in their home countries if they satisfy certain requirements.

During a session at the panel, Health, Labor and Welfare Minister Akira Nagatsuma said the ministry plans to toughen the confirmation process of the requirements, calling the allowance a "sizable amount."

The DPJ is seeking to offer ¥26,000 a month in child-rearing allowances from fiscal 2011 and beyond as it pledged during the campaign for last August's Lower House election, which saw the LDP fall from power after almost half a century of uninterrupted rule.

Also on Friday, the Lower House Education, Culture, Sports and Science and Technology Committee endorsed the bill to waive tuition fees at public high schools run by local governments after incorporating an additional clause that states the government will review the program, if necessary, three years after the law takes effect.

Under the bill, private and state-run schools would also be granted ¥120,000 to ¥240,000 per student, depending on the student's household income level.

The bill has sparked controversy over whether to include pro-Pyongyang high schools for Korean residents in Japan in the program, which the government aims to implement from the April 1 beginning of the next academic year.

Prime Minister Yukio Hatoyama has said the government will lay out a ministerial ordinance to determine which schools will be eligible for the program after the bill clears the Diet and aim to set "objective criteria" to determine it.

(The Japan Times online) Include pro-North schools in tuition waiver: U.N. panel

Concerns over threatened discrimination

GENEVA (Kyodo) A U.N. panel monitoring racial equality and nondiscrimination expressed concern Tuesday about Japan's possible exclusion of pro-Pyongyang schools for Korean residents from its planned tuition waiver program for public high school students.

In a report, the U.N. Committee on the Elimination of Racial Discrimination said it "expresses concern about acts that have discriminatory effects on children's education, including . . . the approach of some politicians suggesting the exclusion of North Korean schools" from the program.

The panel urged Tokyo to "ensure that there is no discrimination in the provision of educational opportunities."

The discriminatory acts concerned also include "the differential treatment of schools for foreigners and descendants of Korean and Chinese residing in (Japan), with regard to public assistance, subsidies and tax exemptions," it said.

The panel also said Japan needs laws to fight racial discrimination and protect foreign residents and minorities, countering Tokyo's view that a national antidiscrimination law is not necessary.

The report, which contains around 20 policy recommendations, concludes the committee's review of Japan's record on fighting racism, held at the end of February.

During the review, Foreign Ministry official Mitsuko Shino told committee members that Japan's existing legislative framework was sufficient to address instances of racial discrimination.

"And I don't think the situation in Japan is one of rampant discrimination," she told the 18 legal experts who conducted the review.

The panel disagreed, explaining in its report that the absence of specific legislation impeded the ability for "individual groups to seek legal redress for discrimination."

Yasuko Morooka, a lawyer who works for a Japanese nongovernmental organization that fights racial discrimination, said she was very pleased with the conclusions of the report.

The panel "made a strong statement on almost all major issues," she said.

"This report makes it clear that the exclusion of North Korean schools from the free high school tuition policy would be discriminatory and a violation of human rights," Morooka also said in a statement.

The panel's recommendations came at a time of discussions on whether to include allowances for students of pro-Pyongyang high schools as part of a bill for national tuition reforms that cleared the Lower House on Tuesday.

Hiroshi Nakai, state minister in charge of abduction issues involving North Korea, has called on the education ministry to exclude high schools that have a close relationship with the General Association of Korean Residents in Japan (Chongryon), which supports North Korea, saying Japan should keep in mind it has imposed sanctions on the reclusive nation.

Prime Minister Yukio Hatoyama has said the government will determine which schools will be eligible for the program after the bill clears the Diet.

The review, the first since 2001, is a required procedure for countries signatory to the 1965 Convention on the Elimination of All Forms of Racial Discrimination, which Japan ratified in December 1995.

Other recommendations include addressing discrimination against the "burakumin" (descendants of the former outcast class) and the people of Okinawa.

(The Japan Times online) Ambassadors urge action on child abductions

Japan should sign the Hague Convention on the Civil Aspects of International Child Abduction and act to resolve its current cases by enabling parents left out in the cold to contact their spirited-away offspring, eight ambassadors in Tokyo said in a joint statement Thursday.

The ambassadors of Australia, Canada, France, Italy, New Zealand, Spain, the United Kingdom and the United States issued the statement after a two-day closed symposium on international parental child abduction, which often involves ex-spouses who commandeer custody of offspring, sometimes in defiance of overseas court rulings, and take their children abroad.

Participants in the forum included experts on the convention, judges, law enforcement officials from the eight nations as well as Japanese government officials and Diet members. Details of the forum were not revealed.

"We look forward to continuing to work closely and in a positive manner with the Japanese government to move ahead quickly on this critical issue," said Canadian Ambassador Jonathan Fried, who read aloud the statement during a news conference Thursday. "We believe this shared concern can and should serve as the basis for developing solutions now to all cases of parental child abduction in Japan."

The objective of the treaty is to promptly return offspring, who have been "wrongfully removed," back to "their habitual country." There are currently 82 member states of the convention, and Japan and Russia are the only two Group of Eight nations that are not signatories.

William Duncan, deputy secretary general of the Hague Conference on Private International Law who was in Tokyo to attend the symposium, expressed deep concern over the "harmful effects" on the separated children.

"The idea is to protect the child's right to continuing contact with both parents," Duncan said during the same news conference. "The longer an abduction lasts, the longer the disruption, the longer the separation from the other parent lasts, the more damaging that separation becomes and the more difficult it becomes to repair the relationship between that child and the parent."

According to the Canadian Embassy, there are 37 cases involving Japan and Canada, 38 cases with the U.K., and 88 with the U.S. During the news conference, Duncan said there were about 1,300 return applications internationally among contracting states in 2003, the most recent available statistics, and he believes the numbers are about the same at present.

Although the government has begun to show signs of moving forward to consider becoming a signatory to the convention, one concern it has is the difference in custody issues — by law, Japan awards sole custody, usually to the mother, whereas many other countries grant joint custody.

Duncan said he thought there was no need to change Japan's civil law but there will need to be procedural changes.

"The technical, legal answer I think is that there seems to me to be no reason why Japan should not (sign) the convention — it's as simple as that," Duncan said. "I can understand why people have concerns. It will involve some procedural changes . . . but every country that has come into the convention has had to make some adjustments."

(The Straits Times) 3 transsexuals arrested

TOKYO - THREE Philippine nationals have been arrested in western Japan for entering the country on forged women's passports after undergoing sex change operations, local media reported on Tuesday.

The three had the illegal passports made by forgers in the Philippines using women's identification so that they could live in Japan as the 'wives' of Japanese men they had met, Kyodo News said.

While working at nightclubs in Fukuoka, they secured spouse visas from local authorities, said Kyodo and other news reports, quoting local immigration authorities.

They were quoted as telling investigators they wanted to live as women and lead their lives with their loved ones, Kyodo said.

'They looked female. We could not tell they are men,' an immigration official said, according to the Nishinihon Shimbun. – AFP

(Reuters) Takeda drops application for diabetes drug in Europe

TOKYO, March 19 (Reuters) - Takeda Pharmaceutical (4502.T), Japan's No.1 drugmaker, said on Friday it has withdrawn its application for approval to market in Europe a new version of its combination treatment for type 2 diabetes.

Takeda said it will no longer develop the prolonged-release version of Competact in Europe, after authorities there said they were unlikely to approve the experimental drug due to a lack of data on its long-term effects.

The immediate-release version of Competact is already available in Europe, as well as in the United States under a different name, ACTOSplus met, while the prolonged release version has been approved in the United States, Takeda said.

The setback is another blow to Takeda which faces a major delay in the development timetable for its SYR-322 experimental diabetes drug, a potential successor to the original Actos, a blockbuster diabetes drug.

Takeda is looking to prevent a possible earnings slump after the U.S. patent for Actos expires in January 2011.

Shares of Takeda closed up 0.95 percent at 4,260 yen ahead of the announcement

(The Japan Times online) Toyota seeks retraction, apology from ABC News

Bloomberg

Toyota Motor Corp. asked ABC News on Thursday to retract and apologize for an "irresponsible" report it aired last month suggesting electronics as the cause of sudden acceleration in its cars.

The world's largest automaker is working to repair its reputation after recalling about 8.5 million vehicles worldwide to fix defects linked to bursts of speed.

Toyota has said mechanical flaws, such as accelerators that stick or snag on floor mats, are at fault in sudden acceleration, with no evidence of failures in the electronic-control systems of its cars and trucks. An ABC News report on Feb. 22 challenged that assumption.

The network owned by Walt Disney Co. "relentlessly promoted" a view that electronics in Toyota and Lexus models were a cause of sudden-acceleration complaints, without providing "credible scientific evidence," Christopher Reynolds, Toyota's U.S. general counsel, said in a March 11 letter to ABC News President David Westin.

"Toyota deserves a public retraction and formal apology from ABC News for your irresponsible broadcast," Reynolds said in the four-page letter, reported first by the Web site gawker.com.

In a letter to Toyota, ABC News said it was "legitimate and newsworthy" to report the results of Southern Illinois University professor David Gilbert's tests on vehicles made by Toyota.

Toyota had told reporters March 8 that the test, featured in the broadcast, altered a circuit in a way that couldn't occur in everyday driving, so it couldn't be used as evidence of sudden acceleration.

(The Japan Times online) L.A. jailers cleared in Miura death: DA

LOS ANGELES (Kyodo) Nearly 1 1/2 years after murder suspect Kazuyoshi Miura died inside a Los Angeles jail, the county's district attorney's office released a report that cleared the detention officers and jail personnel of any wrongdoing.

The review, released Wednesday and dated Jan. 4, was conducted by the Justice System Integrity Division of the district attorney's office. It states there was no evidence the detention officers or jail personnel used force against Miura, who was 61 at the time of his death.

It also cleared them of any intent to cause Miura's death, or actions carried out in an "aggravated, reckless or flagrant manner."

The district attorney's office declined to initiate criminal proceedings based on the evidence.

The Los Angeles Police Department issued a report last year that also cleared the detention facility staff of wrongdoing after they discovered Miura hanging inside his cell.

The review contains a detailed report based on statements from the detention officers, jail personnel and inmates about events before and after Miura's death.

Large sections of the transcribed statements, however, were blacked out.

One inmate who was detained in a cell across from the Japanese businessman said Miura was "stressing out" and cried on three occasions.

The review also touches on an audio recording of the cell next door spanning 16 hours and 42 minutes.

In his last recorded words, Miura asked a detention officer what time it was.

Approximately 32 minutes later, another detention officer is recorded shouting, "Man down."

After Miura's death, the county coroner's office, as well as the LAPD, officially declared the hanging a suicide.

In an interview a year after Miura's death, a family member said the family "still can't believe (Miura) was the kind of person who would take his own life."

Miura was arrested in February 2008 in Saipan on charges of murder and conspiracy to commit murder in the slaying of his wife, Kazumi.

While sightseeing in Los Angeles in 1981, Kazumi Miura, who was 28 at the time, was shot in the head and died from complications a year later in Japan.

(The Japan Times online) Being low-paid male temp probably spells bachelorhood

Being a temp comes with a number of drawbacks: a lack of job security, often low pay — and if you're a man, anyway, little chance of tying the knot.

So says the latest labor ministry survey, released Wednesday, which found that out of some 700 single, male temporary workers aged 20 to 34 who responded, only 17.2 percent of them got married between 2002 to 2008, while the marriage rate for male regular employees was nearly double that at 32.2 percent, according to the survey.

The Health, Labor and Welfare Ministry sent questionnaires to 33,689 men and women in 2002, of which 82.8 percent responded. The same questionnaires were sent to 16,793 people in 2008, with 91.3 percent responding.

Among the male temps in the 20-34 age group, only 4.8 percent had had children over the six-year period. Their regular-employee counterparts were more than 2 1/2 times more likely to have had kids, with 12.8 percent having done so.

According to the ministry, female temps are much more likely to quit their jobs after having their first child than regular workers. Of the roughly 600 women aged 20 to 34 who responded over the same six-year period, some 75 percent with temporary jobs quit after giving birth, compared with 36.4 percent of women with regular employment.

Among all women respondents, 52.9 percent who gave birth during the period quit their jobs.

Unsurprisingly, firms that provide maternity leave had more luck retaining mothers.

Some 81 percent of the regular workers who kept their jobs after childbirth said their companies offered leave, while only 48 percent of temp workers who kept their jobs said their companies did so, the survey found.

Among all female respondents, 52.8 percent said their companies have a maternity leave system. The gap in maternity leave was particularly wide between temporary and regular employees, with 83.3 percent of regular employees saying they were eligible for time off; among nonregular workers, the figure was only 19.1 percent.

(The Japan Times online) Elementary school teacher gets 30 years for raping pupils

HIROSHIMA (Kyodo) The Hiroshima High Court sentenced a 44-year-old former elementary school teacher Thursday to 30 years in prison for raping and performing lewd acts on at least 10 pupils.

In imposing the maximum term of imprisonment for a definite period under the law, the high court said Naoki Morita, who was sacked as a public school teacher in Hiroshima Prefecture after his arrest, "took advantage of the innocence of the victimized girls and toyed with them, betraying public trust in teachers with the monstrous crimes."

The high court also noted he had "made irrational excuses and shown only meager remorse," leading to the conclusion that the longest possible imprisonment, which is in line with request from the prosecutors, is "the only option" it can choose.

The Hiroshima District Court in September 2009 also sentenced Morita to 30 years in prison, but the high court nullified the ruling, citing "factual errors" concerning the interpretation of some of his acts. The high court said he did not rape in some cases as recognized by the lower court.

According to the high court, Morita committed and attempted to commit a total of 95 rapes and lewd acts on 10 girls aged between 9 and 12 on school premises and other locations between 2001 and 2006.

Three of the victims and their parents are demanding a total of ¥115.5 million in compensation from the defendant, the Hiroshima Prefectural Government and other entities in a lawsuit pending at the district court.

(The Japan Times) Fatal nursing home blaze spurs raids

SAPPORO (Kyodo) Police on Sunday raided locations linked to a deadly blaze in Sapporo that killed seven nursing home residents the previous day.

The fire at Mirai Tonden nursing home, which is being investigated as a case of negligence resulting in death, prompted police to send investigators Sunday to the home of Michinori Taniguchi, who is the president of Mirai 25, which runs the facility.

Before the raid, Taniguchi told reporters he wanted to apologize to relatives of the victims.

He also denied that Mirai Tonden lacked proper fire-prevention plans and equipment.

Most of the 250-sq.-meter, two-story wooden facility was destroyed by the blaze. The nursing home was converted from a house and operated in a residential area about 7 km north of JR Sapporo Station.

Investigators suspect the blaze was started by laundry that ignited near a stove on the first floor where it was routinely placed to dry.