

JAPAN FALLS BACK IN TIME TO 1987



[caption id="attachment_3623" align="alignnone" width="127" caption="The Japanese face a economic crisis."] [/caption] October of 1987 marked the last time that the Japan labor force shank as low as it did last month. During that time, the nations stock market soared 185% higher and prices for land were 85% higher than the figures in Japan's economy today. Last month Japan employers laid off nearly 160,000 people. It is reported that an additional 200,000 workers gave up trying to find work, or retired from their current position. The statistic bureau states this left the number of employed at 59.4 million. The devastating earthquake in March of this year halted the Japanese economy. Manufacturers have moved operations to different countries. Panasonic Corp. recently announced its plan to move all manufacturing overseas. Osaka will bid one of the world's most profitable electronics companies farewell beginning in April 2012. The company plans to move its operation headquarters to the country of Singapore at that time. Sony Corp. also faces big decisions in regard to the Japan economy. European debt has threatened the earnings of Sony, because of the yen's current exchange rate into European currency. If Europe or the United States fail to continue its present imports with these companies, severe repercussions will occur to Sony Corp. and other Japan-based companies. Yen gains also have Japanese economist concerned about the road to recovery in its economy. With European and United States debt crises, the strengthening of the yen creates an uncertain exporting future. These companies may not find it profitable to import from Japan any longer due to the strength of the yen in comparison to its currency. In addition to yen gains that have occurred in the yen, the government has proposed higher taxes, and the confidence of consumers has nearly completely deteriorated. Prime Minister Yoshihiko Noda plans to implement subsidies for companies that cannot keep workers, and has other measures in mind to help cope with the yen gains. Financial Minister Jun Azumi plans to provide the finances required so that the nation may begin to see progress. These funds will go to monitor market positions in foreign exchange until the end of the year. Because of recent natural disasters in the country, the ruling Democratic Party in the nation proposes a 9.2 trillion yen tax increase. This increase would be temporary, and help aid in the effort to rebuild the northeast coast of the country, which was devastated by the 9.0 earthquake and tsunami from earlier this year. Although the nation presently faces an unemployment rate of 4.3%, and the current struggles with the yen, the Japanese government has not show an air of crisis. This nonchalant mindset leads to greater consumer dissatisfaction, and has lured companies currently based in Japan into looking into other options.

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