

Japan Manufacturing, Hiring Rise In March

Elaine Kurtenbach, AP Business Writer

TOKYO (AP) — Japan manufacturing and employment showed slight improvements in March, buttressing hopes that the economy may be headed for a moderate recovery.

Factory output rose 0.2 percent, the Ministry of Economy, Trade and Industry said Tuesday, in the fourth straight monthly increase. It pointed to strength in chemicals, electrical components, telecommunications equipment and steam turbines.

Unemployment edged lower to 4.1 percent from 4.3 percent in February, while household spending rose 5.2 percent in real terms from a year earlier. Such spending accounts for about 60 percent of Japanese economic activity.

Prime Minister Shinzo Abe has raised government spending and pushed for aggressive monetary easing to help extricate the economy from chronic deflation.

The central bank, which has committed to achieving 2 percent inflation within two years, says it expects a moderate recovery by midyear but has warned that uncertainties in the domestic and global economies could foil those hopes.

Critics of the "Abenomics" strategy question whether the extra funding pumped into the economy will foster sustainable growth or just push up prices for shares and other assets.

Key to the success of the policies will be increased spending by households and corporations, partly due to expectations that prices will rise. So far, increases in spending have been attributed mainly to luxury purchases by share investors splashing out after seeing gains in their portfolios. The Nikkei 225 stock benchmark has risen nearly 28 percent in the past three months.

But a more robust recovery would depend on wage increases to boost household purchasing power, and on higher employment.

So far, consumer prices have remained flat or fallen, with core inflation excluding food prices dropping 0.5 percent in March.

The Ministry of Internal Affairs and Communications reported that job availability improved in March, with 86 jobs offered for every 100 job seekers. The rate was 82 for the fiscal year that ended in March, up from 68 the year before, it said.

Job cuts occurred in manufacturing, finance, information technology and logistics, while the biggest gains were in health care, construction and education.

The number of male workers fell while the number of female workers rose,

Japan Manufacturing, Hiring Rise In March

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

suggesting companies are likely relying on part-time employees to meet any increases in demand.

Japan's real estate sector has also shown glimmers of a rebound, as property developers knock down older homes built after World War II to rebuild on suburban properties.

Housing starts rose a higher-than-expected 7.3 percent year-on-year in March for the seventh straight month of increase, the government reported Tuesday.

Source URL (retrieved on 10/24/2014 - 2:30pm):

<http://www.impomag.com/news/2013/04/japan-manufacturing-hiring-rise-march>