

# Japan mired in slump as exports, imports tumble

## Japan remains mired in slump as exports and imports tumble in August; car exports fall by half

- By Shino Yuasa, Associated Press Writer
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TOKYO (AP) -- Japan's exports tumbled 36 percent in August -- with car shipments falling by half -- and imports also contracted sharply, the government said Thursday, showing the world's No. 2 economy remains mired in a deep slump.

AP - FILE - In this June 11, 2009, file photo an checks Japanese vehicles parked before being loaded onto ...

Declines in automobile and steel exports were especially pronounced, the Ministry of Finance said. Exports fell for the 11th straight month to 4.5 trillion yen (\$49 billion).

"We are not seeing an improvement in exports due to a continued slump in global demand," said Hiroshi Watanabe, an economist at Daiwa Institute of Research. "Japan's exports were particularly hit hard by stagnant demand in Asia and China."

Imports, meanwhile, dropped 41.3 percent from a year earlier to 4.3 trillion yen, reflecting weak consumption within Japan, where the jobless rate is at a record high as companies shed workers. Consumer finance company Aiful Corp. said Thursday it will cut 2,000 jobs, or about 44 percent of its work force.

The incoming government of Prime Minister Yukio Hatoyama is seeking to boost consumption and help households with a range of consumer-oriented proposals, including cutting tolls on highways and giving families with children \$275 a month through junior high.

But critics say the Democrats, who unseated the long-ruling conservatives in last month's election, don't have any clear strategy to achieve long-term economic growth.

Japan's monthly trade surplus, or the amount exports exceeded imports, came to 190 billion yen.

Auto exports in August plunged a staggering 50 percent, while shipments of steel products dropped 43.3 percent, the ministry said. Exports of light oil products fell 59.9 percent due to faltering demand in China and Vietnam, it said.

Japan's U.S.-bound shipments declined 34.4 percent to 713.1 billion yen, marking the 24th straight month of year-on-year decline. Among exported goods to the U.S., metal products nose-dived 82.2 percent.

Exports to Asia tumbled 30.6 percent to 2.6 trillion yen. Japan's exports to China were down 27.6 percent.

Japan's exports to the European Union dropped 45.9 percent to 514.3 billion yen.

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