

...which it planned to raise global output for fiscal 2009 by 200,000 units to about 6.5 million units.

Earlier this month, Toyota, whose Prius hybrid has been the top-selling car for the past four months,

to take advantage of the savings shown on hybrid vehicles, and not an overall improvement in the economy.

One telling sign of the continued slow economy is that the sale of trucks and other commercial vehicles in Japan is still down by one third.

...an order now, it is unlikely that the car will be delivered before next March to take advantage of the savings.

Toyota, for instance, is said to be flooded with orders for its first Lexus hybrid model.

international competitiveness. With their take-home pay still pretty much depressed, Japanese consumers naturally remain tight-fisted.

Because of continuing uncertainty over the economy, companies are also hes-

...sion would last, he replied: "We drivers are the first to be hit in a recession and the last to benefit from an upturn. I think things will remain bad for another few more years."
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These products helped to save Mr Yasuharu's firm.
ST PHOTO: KWAN WENG KIN

Hit by recession, then buoyed by disasters

TOKYO: Just last month, Mr Sadao Yasuharu thought his company was done for.

For the first two quarters of this year, its balance sheet was over 50 million yen (\$770,000) in the red.

The main business of Mr Yasuharu's five-year-old company, called Business Continuity Technology, is selling products such as quake-proof mats to corporations which prevent computers and other heavy equipment in offices or plants from toppling over during a major tremor.

But in a recession, said the 51-year-old

businessman, corporations often gave such purchases the lowest priority.

From September last year, when the so-called Lehman shock precipitated a worldwide financial and economic crisis, his company had been struggling to survive.

As a result of the crisis, demand for semiconductors became so depressed worldwide that Japanese electronics makers - some of whom are his clients - were forced to shelve plans to build new plants or to expand existing production lines.

"No new plants meant nobody wanted to buy our quake-proof products," said Mr Yasuharu.

Reluctantly, he let go of three of his 20 employees. Operating costs, such as entertainment and transportation budgets, were slashed by one-third.

"The worst thing," he recalled, "was going around to look for investors."

Banks flatly refused to lend him money. Venture capitalists were very strict in their assessments of his business.

Fortunately, his friends - more than 200 of them - believed in him and continued to pour money into his business.

Still, by last month, Mr Yasuharu was looking desperately for a buyer for his company. But negotiations fell through.

"I was so disappointed," he said.

Then the unpredictable happened.

On Aug 11, an earthquake with a magnitude of 6.5 shook the Shizuoka prefecture, south-west of Tokyo, injuring more than 100 people and shutting down two nuclear reactors.

Orders poured into Mr Yasuharu's company from manufacturers that have plants or offices in the quake-hit zones.

His luck continued.

Towards the end of last month, there was a series of reports of mass infections of Influenza A (H1N1) in Japan and ex-

perts forecast a flu epidemic in early October.

The shrewd businessman that he is, Mr Yasuharu had secured huge supplies of surgical masks and disinfectants earlier this year in anticipation of a possible epidemic in the autumn.

"Our gamble paid off. We have now received so many orders for these two products, it's like going from hell back to heaven," he said with a smile.

But flu pandemics come in cycles and are therefore not reliable sources of revenue.

So he is hopeful that the economy will recover next year and that semiconductors will once more be back in demand.

"We can't be too optimistic, however, as Japanese companies face severe competition from Taiwan and South Korea," he said.

KWAN WENG KIN

Hatoyama sticks with 'key pillar' US

Despite anti-Washington remarks, his meeting with Obama goes well

NEW YORK: United States President Barack Obama and new Japanese Prime Minister Yukio Hatoyama said yesterday that the traditional alliance between their countries will continue despite the Japanese leader's campaign rhetoric signalling a shift away from Washington.

The two met for the first time on the sidelines of the United Nations General Assembly gathering here this week.

Mr Hatoyama's sometimes anti-Washington remarks were not mentioned directly.



his goal of reducing Japanese greenhouse gas emissions by 25 per cent from 1990 levels by 2020.

But his criticism of "US-led globalism" and his call for "more equal" ties with Washington had spurred much speculation about the outcome of his first meeting with the US President.

Fuelling the concern was his new government's move to review Japan's military relationship with the US.

Speaking to reporters after the meeting, Mr Hatoyama said the two had not gone into details of the range of security alliance issues that divide Washington and Tokyo, such as a redeployment of US troops based in Japan and an agreement on the status of those military personnel.

"I told him the Japan-US alliance will remain the foundation of Japan's security policy," he said, adding that his meeting with Mr Obama took place in a very warm atmosphere.

Mr Hatoyama added that he told the US President he wanted to consider carefully the best way to contribute to security in Afghanistan in a way that would be welcomed by the Afghan people, but did not touch on the issue of whether Japan would continue a naval refuelling mission in support of US-led military operations to quell the Taliban insurgency.

The US has urged Japan to come up

IN BRIEF

George Yeo-Okada talks

NEW YORK: Singapore's Foreign Minister George Yeo, who is here for the United Nations General Assembly, has held talks with his Japanese counterpart Katsuya Okada.

During the meeting on Tuesday, both ministers re-affirmed the excellent bilateral relations between Singapore and Japan. They also discussed key regional developments, with Mr Yeo highlighting the important role that Japan continues to play in the Asia-Pacific, the Singapore Foreign Ministry said in a statement yesterday.

Mr Yeo also welcomed the forthcoming visits of Japanese Prime Minister Yukio Hatoyama and Foreign Minister Okada to Singapore in November in conjunction with the Apec Economic Leaders' Meeting.