
Recession reports - Japanese survey points further down turn

Sunday, 03 Jan, 2010

Kyodo News reported that nearly 40% of major companies in Japan in a survey said that the economy is "highly likely" or "likely" to fall into a double dip recession.

The survey of 109 leading companies, conducted from late November through mid December, found that 40 firms, or 37% of those surveyed, anticipate a further downturn in economic activity.

In reply to a multiple response question about their reasons for the pessimistic outlook, 26 of the 40 companies attributed it to the yen's appreciation. In addition, 24 firms replied that the effects of stimulus measures adopted by the government will wane, while 23 referred to deepening deflation.

Asked when they expect a double-dip recession to strike, 21 companies responded between January and March, while 16 replied between April and June.

However, 56 of the 109 companies, or about 51%, said they expect the domestic economy to stage a full scale rally in the second half of 2010.

Among other survey findings, 20 companies are planning to cut back on capital spending in fiscal 2010, while 33 firms are considering workforce reductions.

The survey covered companies including Canon Inc, Nippon Steel Corp, Nippon Oil Corp, Sony Corp, Toyota Motor Corp and Mitsubishi UFJ Financial Group Inc.

(Sourced from Kyodo News)

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