

# Japanese government more certain on recovery

Tokyo is upbeat in its latest assessment of the Japanese economy

In their monthly report, government economists said the recovery looks more certain due to encouraging signs in the global economy.

Domestic demand is also improving with companies increasing spending as areas along the earthquake-hit coast slowly rebuild.

In addition spending by private individuals is holding firm, on improving consumer confidence.

“The economy is still picking up slowly, while difficulties continue to prevail due to the earthquake,” the Cabinet Office said in the monthly report.

Progress has been frustratingly slow in rebuilding areas of the northeast coast devastated by last year’s massive earthquake and tsunami. But there are signs of recovery in the area and the broader economy, albeit uneven.

“Domestic demand is on an upward trend ... if both domestic and external factors improve, along with the nation’s policy steps such as public spending related to reconstruction and subsidies for fuel-efficient cars, we expect a pickup in the economy will become certain,” said Minoru Masujima, Director of Macroeconomic Analysis at the Cabinet Office.



A man walks through a street in Tokyo's Shinjuku district

However, the report also noted several risks facing the economy, including rising oil prices, Europe’s prolonged debt crisis and constraints on power supply with all but two of

Japan’s 54 nuclear reactors shut amid public safety fears after the radiation crisis sparked by the disaster.

The government report follows an assessment by the Bank of Japan

that was slightly more upbeat than a month earlier. The central bank said Japan’s economic activity was more or less flat but showed signs of picking up.

## Brussels seeks tougher rules to ban non-EU firms

**Brussels has unveiled plans to potentially ban non-EU firms from government contracts. The proposed powers aim to strengthen the bloc’s arsenal against trade discrimination, most notably China.**

Currently Europe’s public procurement market is the world’s most open, at some 350bn Euros. The US is about half that, while Japan lags way behind at just under 30bn. The opportunities for firms to win state contracts in China are so tiny, the figure is not known.

The plan aims to push Beijing, in particular, to knock down its trade barriers. EU officials say the proposals will empower the Commission to shut the door on foreign firms bidding for state purchases, if countries outside the bloc repeatedly discriminate against European contractors.

The EU’s Internal Market chief Michel Barnier said, “If a public body or country believes there isn’t a level playing field, in which a European business is being prevented from working in a country, in that case, the decision makers could turn round and say: we want to block a company from that country from working in Europe. But it would have to be approved by the Commission. So, this will be on a case-by-case basis, and will only apply to contracts above five million Euros.”

## Good progress on fish discard ban



A shrimp fishing trawler works in the Gulf of Maine

**European fisheries ministers meeting in Brussels say they have made good progress on ending the discarding of unwanted fish — despite initial opposition from Spain and France**

The EU Commission has called for a complete ban on the controversial practice, in which dead fish are thrown overboard when a vessel exceeds its quota.

The French and Spanish governments were expected to issue a declaration describing the Commission’s proposal as unworkable, but dramatically dropped it at the last minute.

It’s thought a big social media campaign was crucial in the u-turn. Set up by celebrity British chef Hugh Fearnley-Whittingstall it called on ministers to stick to the original plan to ban discards.

Campaigners claim dumping leads to as many as two thirds of a healthy catch being thrown into the sea.

“There are anxieties that taking away the obligations to discard may mean the value of their catch goes down. In the short term this is maybe the case, but in the longer term, it should be possible to increase the quotas because there are fewer fish being wasted, so fisherman should see the benefits of that,” Fearnley-Whittingstall said.

In addition to progress on discards, Ministers also announced a deal for tighter sustainability rules for EU boats fishing outside European waters.

Environmental groups like Greenpeace insist dwindling stocks in Europe, have forced vessels to venture further a field, such as North Africa, with devastating results.

## Italy’s Monti seeks key reforms

**Targeting Italy’s red tape wrapped and inefficient labour market, technocrat Prime Minister Mario Monti met top trade union leaders**

As part of his attempts to revive Italy’s chronically uncompetitive economy Monti’s is hoping to reach a reform deal with the unions, but even if they do not agree he has pledged to push through changes swiftly. Out would go Article 18 of Italy’s labour law, which makes it very difficult to fire workers in companies with more than 15 employees for all but the grossest of misconduct. It is part of legal protection for employees that dates back to the 1970s era of trade union power.

A priority is jobs for the young as nearly a third of under-24-year-olds unemployed. For the first time all Italians would be covered by an unemployment benefits plan. Angelino Alfano, who now leads former PM Silvio Berlusconi’s party, said, “It’s a unique opportunity to reform Italy’s labour market. We need this as the labour market is central to the country’s competitiveness.”

Officially only about 57 percent of Italians have a job. That is partly because fewer women work but the figures also hide a huge underground — and therefore untaxed — economy. As well as one of the lowest employment rates in the euro zone Italy also

has some of the slowest growth in Europe. Failure to get union backing for reforms will likely lead to strikes and dissent within the grand coalition of parties supporting Monti in parliament.

The three main confederations, which represent a substantial part of Italy’s 12 million-strong union membership, are divided. The CGIL, the largest group, is taking a harder line than the more moderate CSIL and UIL. A deal on labour reforms will determine whether Monti can push through the kind of far-reaching changes to the economy needed to restore growth and reduce Italy’s crippling burden of public debt.

## Vincent van Gogh still life is deemed genuine

**A work once thought to be by Vincent van Gogh but later dismissed has now been confirmed as an authentic painting by the Dutch master**

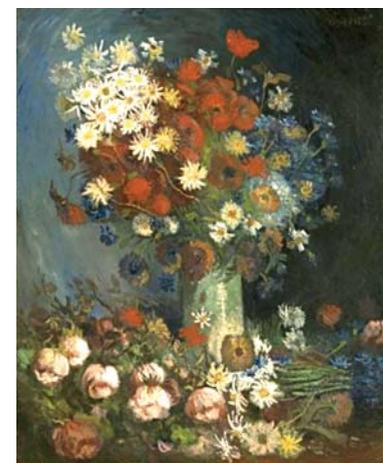
*Still Life with Meadow Flowers and Roses*, originally considered a Van Gogh, has belonged to a Dutch museum since 1974. But doubts crept in due to the painting style and the unusual canvas size and it was discredited in 2003. However, experts have now authenticated the painting using an X-ray technique.

The painting has now been hung in the Van Gogh section of the Kroller-Mueller museum in Otterlo for the first time. The work is thought to have come from the period when

Van Gogh lived with his brother Theo in Paris from 1886. Van Gogh originally painted a canvas of two wrestlers and then painted *Still Life with Meadows and Roses* over it.

Using a new X-ray technique, researchers examined the two wrestlers in more detail. The brush strokes and pigments pointed to Van Gogh. Researchers also discovered the large canvas was a standard format for figure paintings at the Antwerp academy where Van Gogh studied at the time.

A senior researcher at Amsterdam’s Van Gogh Museum, Louis van Tilborgh, took part in the study. He said the wrestlers posing half-naked in the original painting was charac-



teristic of the Antwerp academy at the time. Van Gogh also wrote to his brother saying that he was pleased with how the wrestler painting had turned out. But he later painted directly over it which experts say accounts for the ‘uncharacteristic exuberance’ of the floral still life.