

Population decline accelerated in 2023

China growth lackluster as rebound stalls

BEIJING/HONG KONG
AFP-JJI, REUTERS

China's economy last year grew at one of its slowest rates in more than three decades, official figures showed Wednesday, as it was battered by a crippling property crisis, sluggish consumption and global turmoil.

The figures were in line with expectations and even beat Beijing's target but will likely pile fresh pressure on officials to unveil more stimulus measures to kick-start business activity and get the country's army of consumers spending again.

China's National Bureau of Statistics (NBS) revealed that gross domestic product expanded 5.2% to hit 126 trillion yuan (\$17.6 trillion) last year.

The reading is better than the 3% recorded in 2022, when strict "zero-COVID" curbs destroyed activity, but marks the weakest performance since 1990, excluding the pandemic years.

While 5.2% would be looked on enviously by other governments such as the United

States and those in the eurozone — which each expanded around 2% in 2022 — it is well down from the levels around six or 7% constantly enjoyed in the 2010s.

After lifting its draconian COVID-19 measures at the end of 2022, Beijing set itself a growth target of "around 5%" for last year.

The economy enjoyed an initial post-pandemic rebound, but ran out of steam within months as a lack of confidence among households and businesses hit consumption.

And statistics last month showed deflation continued for the third month in a row, likely deepening consumer reluctance to spend.

Tensions with the United States and efforts by some Western nations to reduce dependence on China or diversify their supply chains have also hit growth.

China's GDP figures remain a key source of insight into the health of the world's second-largest economy, despite being eminently political.

Officials are due to release their growth target for 2024 in March.

NBS Commissioner Kang Yi told media



Chinese Premier Li Qiang speaks during the 54th annual meeting of the World Economic Forum in Davos, Switzerland, on Tuesday. REUTERS

Wednesday that the recovery had been an "arduous task" in 2023, while other data painted a bleak picture of the state of the economy as the year drew to a close.

Between the third and fourth quarters — figures more reflective of the real-time economic situation — it only grew 1%.

And December saw retail sales, a key indicator of household spending, slow after a rebound the previous month.

Unemployment also increased slightly to 5.1% — though the statistics effectively exclude millions of migrant workers from rural areas.

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LDP weighs dissolving factions over fund scandal

GABRIELE NINIVAGGI
STAFF WRITER

Faced with soaring calls for more transparency in political funding amid an ongoing high-profile scandal, the ruling Liberal Democratic Party has turned to discussions over a potential dissolution of intraparty factions.

However, after two meetings of an ad-hoc panel established by party leader and Prime Minister Fumio Kishida earlier this month, fissures between lawmakers have emerged, and at the moment the outcome of the debate remains hard to predict.

The stakes are high — and it shows. On Tuesday, the party headquarters in Tokyo was teeming with reporters and camera crews trying to catch a glimpse of participants flocking into the room. The task force had extended its invitation to all party lawmakers, regardless of their affiliation, for open discussions on the matter.

Media were only allowed in after Kishida walked into the room and sat between Secretary-General Toshimitsu Motegi and Vice President Taro Aso.

"Politics is for the people," Kishida said. "I would like to go back to the spirit of the party's foundation and ask you to express your thoughts frankly." Discussions, which went on for approximately three hours, were kept behind closed doors.

After the first meeting last week, it had emerged that the nature of factions had received a great deal of attention in the talks. High-profile members went as far as saying that the groups should be dissolved.

"This time, in the face of recent events, we should clearly set forth what we will do and how we will respond as a party," former Prime Minister Yoshihide Suga told reporters last Thursday. "In that sense, the dissolution of factions would be a very clear message."

After belonging to a faction in his early years as a lawmaker, Suga stepped away from the system years ago and has been a vocal critic ever since.

Around this time last year, his critical remarks over Kishida's failure to step

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Quake chaos forces children to leave families to continue studies

WAJIMA, ISHIKAWA PREF.
JJI, KYODO

About 250 junior high school students left their families in the city of Wajima, Ishikawa Prefecture, on Wednesday as part of a group evacuation following a powerful earthquake that struck the prefecture on New Year's Day.

The students will stay at prefectural lodging facilities in the southern Ishikawa city of Hakusan, some 100 kilometers away, for up to two months so they can continue with their classes.

The group evacuation was arranged after

all three public junior high schools in the city became evacuation centers following the quake, according to the Wajima board of education. Heavy damage sustained by school buildings also rendered them unable to host classes.

On Wednesday morning, students from Wajima Junior High School gathered at their pickup location with their suitcases where they hugged friends they hadn't seen in a while before boarding four large buses. As the buses departed, the students waved to their parents from the windows.

"I'm not worried, but I'll miss Wajima,"

said Jun Morita, a 13-year-old first-year student who evacuated to the school after their house became tilted due to the quake. Morita's mother, 39, said she was worried as a parent, but said it was fine because her child would be accompanied by teachers and classmates.

Haruki Yamase, a 15-year-old third-year student who is preparing to take a high school entrance exam, said he had decided to join the group evacuation because he was scared of falling behind on his studies.

Toyokazu Yamagishi, a head teacher in charge of first-year students, said, "It is dif-

ficult to live in the city. I want to take care of students' mental health, not just their studies and daily lives."

While it is uncommon for students to be apart from their families to continue their studies at times of large-scale disasters, the quake-hit municipalities of Suzu and Noto are also considering the move.

As of Tuesday, 28 of the prefecture's 281 public elementary and junior high schools had not reopened because they were either damaged or being used as evacuation centers. Six of the prefecture's 47 public senior high schools have yet to begin classes as well, according to the

Ishikawa Prefectural Board of Education.

A Wajima official said the city aimed to "follow the original curriculum as much as possible," though the details of what the traveling teachers would be able to include in their teaching plan had yet to be hashed out.

Also undecided is what happens to the roughly 150 students remaining in Wajima.

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Fujitsu offers compensation in U.K. Post Office scandal

BLOOMBERG, JJI

An executive at Fujitsu, the Japanese IT company embroiled in the United Kingdom's Post Office scandal, said the company has a "moral responsibility" to contribute to redress for sub-postmasters who suffered as a result of its faulty software.

"I am personally appalled by the evidence we have seen," Paul Patterson, Europe director at Fujitsu Services, told the House of Commons Business and Trade Committee on Tuesday. "I think there is a moral obligation for the company to contribute."

Patterson's concession suggests that it won't just be the U.K. taxpayer who pays out compensation to hundreds of sub-postmasters who were wrongfully prosecuted for theft and false accounting by the government-owned Post Office between 1999 and 2015 after computer glitches led to shortfalls in their accounts.

Meanwhile, Fujitsu CEO Takahito Tokita apologized Tuesday for the role the company's faulty accounting system had in the scandal, according to British media.

Tokita told the BBC in Davos, Switzerland, that Fujitsu has "apologized for the impact

Fujitsu Services Director Paul Patterson gives evidence to a hearing in London on Tuesday. PARLIAMENTARY RECORDING UNIT / VIA AFP-JJI

on the postmasters' lives and their families." The scandal is "a big issue, which Fujitsu takes very seriously," the broadcaster quoted him as saying.

This marked the Fujitsu CEO's first public comments on the scandal.

British Prime Minister Rishi Sunak last week announced a law to quash the convictions and speed up compensation to some 980 U.K. Post Office workers as he sought to draw a line under the long-running saga. Redress was also offered to thousands more who were caught up in the scandal but

weren't prosecuted after using their own money to close the shortfalls and avoid charges.

Government minister Kevin Hollinrake later told the same panel on Tuesday that there is a "significant chance" the government's move to cancel convictions means some people who were actually guilty may get compensation.

Patterson was giving evidence alongside Post Office Chief Executive Officer Nick Read, who told the same hearing that total compensation "may well be" in the order of £1 billion (\$1.3 billion).

"We're all very keen to get to the bottom of this," said Read, who has held the role for four years. "I've been very clear since I joined the organization, that the Post Office simply can't move forward until such time as proper redress has been determined and more importantly has been paid out."

Patterson — appointed to his current role in 2019 — said responsibility for the scandal "lies in many places," including Fujitsu, and that the company would take advice from an inquiry into the matter when deciding on its contribution to the redress. He said he had

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