

Japan economy, Toyota feel effects of disaster

April 13 2011, by Harumi Ozawa

The impact of Japan's earthquake and nuclear crisis rippled through the economy Wednesday as the government downgraded its outlook and Toyota announced more temporary plant shutdowns overseas.

Another strong aftershock from the 9.0-magnitude quake that struck the northeast coast more than a month ago hit the disaster region, further fraying nerves amid tense stop-and-go containment efforts at a stricken atomic plant.

Emergency workers at the tsunami-hit Fukushima nuclear site northeast of Tokyo started siphoning off tonnes of highly radioactive water and eyed long-term plans to encase dangerous spent fuel rods in steel caskets.

The government, worried over food safety after the plant leaked radiation into the air, soil and sea, ordered a halt to some mushroom shipments from the region, having earlier restricted vegetables and dairy products.

The Cabinet Office cut its assessment of the world's number three economy for the first time in six months, in light of the March 11 tectonic disaster that has killed more than 13,000 people and left over 15,000 missing.

"The economy was picking up, but it has shown weak signs recently due to the impact of the Great East Japan Earthquake," the Cabinet Office said in its monthly economic assessment. "It remains in a severe

condition."

The disaster devastated infrastructure and manufacturing facilities, breaking key supply chains and bringing power shortages that have crippled production for Japan's biggest companies such as Sony and Honda.

Toyota, the world's largest auto maker, said parts shortages would force it to halt production for several days at five European plants over the next two months after announcing similar steps at most of its 14 North America plants.

Toyota Motor Philippines will also suspend operations from Monday through Wednesday next week, Dow Jones Newswires quoted a company spokesman as saying.

The International Monetary Fund on Monday lowered its 2011 growth forecast for Japan -- which has long battled sluggish demand, deflation, and high public debt -- to 1.4 from 1.6 percent, citing "large uncertainties".

Japan estimates rebuilding will cost up to 25 trillion yen (\$295 billion).

Japan's nuclear disaster was Tuesday upgraded to the top level of seven -- the same "major accident" category as Chernobyl -- although officials stressed that far less radiation was released and no one had died from contamination.

Unlike at Chernobyl 25 years ago, where the reactor vessel exploded and scores died from radiation exposure within weeks, Japanese crews have been able to work on site, pushing on with efforts to eventually shut the plant down.

But the regrading sparked fierce criticism Wednesday from China, where state media demanded an apology from Prime Minister Naoto Kan's government for not coming clean about the severity of the crisis.

Workers at the plant started pumping out the highly radioactive runoff water left from reactor dousing operations, having earlier freed up space by dumping 10,000 tonnes of less contaminated water into the sea.

Getting rid of the most toxic water would allow workers to resume the crucial task of repairing reactor cooling systems that were knocked out by the 15-metre (50-foot) high tsunami and damaged in subsequent hydrogen explosions.

Workers have also used three remote-controlled heavy excavators fitted with video cameras to clear radioactive rubble.

Tokyo Electric Power Company (TEPCO) refocused its attention on spent fuel rods stored in containment pools that threaten to spew radiation into the air unless they are constantly covered and cooled with circulating water.

The embattled plant operator hopes to eventually remove and safely encase the thousands of rods.

World Health Organisation environmental health chief Maria Neira said the WHO was seeking studies for up to 20 years to keep watch over public health in Japan but played down the current risk to public health outside the exclusion zone.

Meanwhile, writing in the science journal *Nature*, American Robert Geller, a professor of seismology at the University of Tokyo, said Japan's seismologists were so steeped in outdated beliefs they became blinkered to the risk of the quake.

Historical records showed that quake-generated tsunamis had repeatedly struck northeastern Japan over past centuries and the March 11 thrust could have been "'foreseen', in a general way," argued Geller.

Its timing and location would not have been known, but at least its potential force could have been factored into the design of the Fukushima Daiichi nuclear power plant, he said.

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