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High-tech Sector

Global LCD TV Market to Show Strong Growth in 2003

The global LCD TV market is expected to grow 82% year-on-year in 2003, according to Display Research, a U. S.-based market research firm. Sharp will continue to be the market leader with an estimated 50% share of the market.

Large-size LCD Prices Crash

The average price of the 15" LCD panel for personal computers has fallen by about 40% in the last six months. The slide is blamed on sluggish demand for personal computers and production hikes by suppliers in Taiwan and S. Korea. Japanese LCD producers are already in the red and this could weaken their financial position. The standard 15" LCD panel was priced at \$162, down from \$259 six months earlier.

Crystal Device Production in November Up by a Double-digit Figure

Production of crystal devices in November rose 26.2% year-on-year in volume and 17.9% in value, according to QIAJ, the industry's trade body. The largest gain was recorded by industrial-use crystal oscillators, which were up 91.5% in volume and 44.4% in value.

The Game Industry Starts the Year on Bright Note

Sales of video game software in December rose 20% year-on-year. Demand was driven by a major new "Pocket Monster" title for the Nintendo platform. Sales of PS2 were also strong overseas. Two new "Pocket Monster" titles released in December sold 3.6 million copies by January, according to a major publication.

Business Machine Demand Forecast

Aggregate demand for office machines is likely to be marginally lower (down 0.8%) in 2003 as compared to 2002, according to the industry's trade body. Domestic demand is likely to be up 1.2% but exports will be down 2.3%. In copying machines, digital copiers will represent 90% of all shipments, the association predicts.



Semiconductor Investment to Rise Sharply in 2003

Investment by semiconductor producers is expected to rise 55.5% year-on-year in fiscal 2003 to some ¥700 billion, according to a survey of 33 major semiconductor producers in Japan, by a leading industrial daily. The hike will come as major producers, including Toshiba, NEC and Matsushita invest in 300mm facilities.

Semiconductor Market to Grow 15% in 2003

The semiconductor market will grow by over 15% in 2003. The growth will be driven by growing demand from the automotive sector, where the market is expected to top two trillion yen by 2005. At present demand for automobile-use semiconductors is estimated at ¥800 billion. Demand for use in two major devices, the PC and mobile phones, will, however, remain sluggish. New applications are emerging in bio MEMS, robotics and the distribution sector.

Japan's Computer Makers Get Serious About Grid Computing

Japan's computer manufacturers are setting up separate departments to promote grid computing. Grid computing, in which super-computer level performance is achieved by linking multiple computers through networks, is seen as an emerging trend. Grid computing has proved to be successful in the academic world and the focus is now shifting to commercial applications.

e-learning Market to Expand Rapidly

The e-learning market in Japan is expected to grow at an annual average rate of 15.5% to ¥220 billion by 2006. So far Japanese firms have employed internal resources for job training but now they are looking more outside their firms for educational and training resources.

Earnings Roundup

Matsushita Electric Works Likely to Post Lower Profit

Matsushita Electric Works is expected to see the consolidated net income for the fiscal year ended November 2002 drop 64% to ¥6.8 billion. This was due mainly to sluggish sales of construction materials amid slow new housing starts. Consolidated net sales are likely to be down 2%. In the current term to November 2003, sales are likely to be up 3% to ¥1.2 trillion, with net income rising to ¥2.1 billion.

General Economy

M&A Deals in Japan at Record High for a Fifth Year in Row

The number of M&A deals involving Japanese firms in 2002 totaled 2,244, up 25% year-on-year, according to Nomura Research Institute. This comes at a time when the number of such deals dropped 20% worldwide. Of the total, those between Japanese firms totaled 1,881, up 30% from the year before. Japanese firms acquired 252 foreign firms last year, up 6%. The trend is expected to accelerate in 2003 as business reorganization gathers speed.



The Young in Japan Not Optimistic About Their Country's Future

While 64% of those coming of age this year feel that they have a bright future, 84.3% said that the outlook for Japan is anything but bright, according to an Internet survey by a research firm. The reasons for the bleak outlook were: Current Japanese politicians will be unable to change the situation and the country is burdened with bad debt.

Foreign Travel Recovering Only Slowly

According to JTB, a major travel agency, the number of Japanese traveling abroad in 2003 will increase 3.1% to 16.85 million. However, average spending on overseas travel is likely to decline 0.1% to ¥309,000, according to the report. Domestic travel is expected to decline 0.5% to 318 million.

Honda Fit the Most Popular Car in 2002

Honda's Fit sold 250,790 units in 2003 to become the largest selling model in Japan. It was followed by Toyota's Corolla, which sold 226,222 units. Nissan's March came in third with 139,332 units. Of the top ten spots, Toyota captured six.

Basic Electronics Industry Statistics

	Prod.	Ship.	Inv.	Capacity utilization.	H. Elec. machinery	Cons. appliances	Electronics Sector	Cons. electronics	Industrial electronics	El. devices
Oct	99.2	103.2	102.9	68.8	2,037	1,683	15,311	1,847	6,803	6,661
Nov	98.5	104.0	98.4	69.7	2,026	1,624	15,443	1,695	7,233	6,515
Dec.	101.6	105.6	95.8	66.3	2,010	1,601	15,310	1,411	7,488	6,411
Jan.	100.0	106.3	92.3	65.0	1,920	1,358	13,562	1,093	6,342	6,127
Feb.	101.4	106.9	90.8	77.0	2,123	1,736	14,969	1,365	7,184	6,421
Mar.	104.8	110.3	85.6	91.7	3,009	1,887	19,197	1,582	10,386	7,228
Apr.	108.7	114.4	84.2	77.2	1,849	1,797	14,411	1,470	5,760	7,182
May	117.2	123.2	87.9	80.9	1,818	1,872	15,451	1,649	6,324	7,478
June	115.4	121.2	85.8	86.2	1,875	2,078	16,176	1,691	6,881	7,604
July	113.7	118.0	90.8	86.3	2,015	2,060	16,056	1,775	6,285	7,997
Aug	117.1	123.5	89.9	72.6	1,841	1,297	14,736	1,482	5,937	7,318
Sept.	116.2	120.9	93.9	84.9	2,465	1,555	17,659	1,762	8,117	7,780
Oct.	117.3	125.6	93.5	80.6	1,942	1,577	16,161	2,030	6,169	7,962
Nov.	112.7	120.0	89.5							
YoY	14.4	15.4	-9.0	17.2	-4.6	-6.4	9.1	10.2	-5.1	22.9

Base year 1995 = 100; 100 million yen, YoY: Year-on-year percentage change

Source: Ministry of Economy, Trade and Industry, Japan Electronics Industry Association and other trade associations

