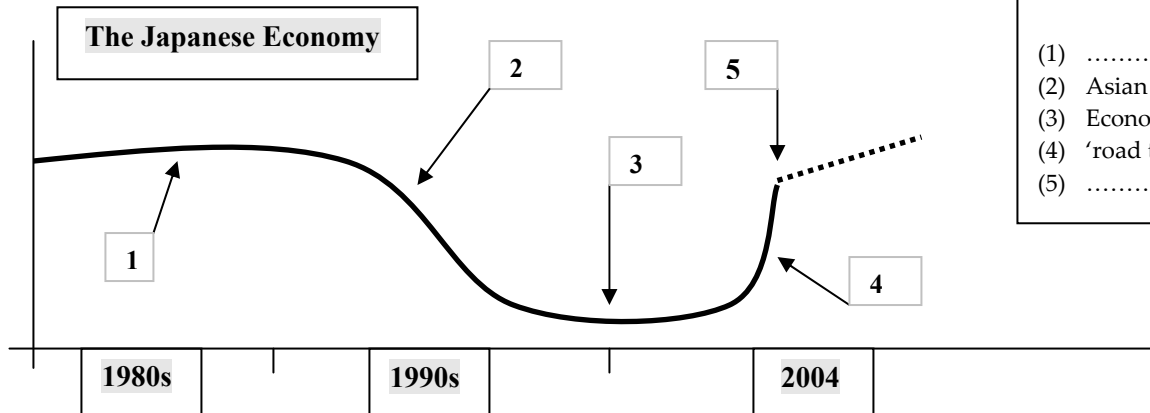


The Japanese economy

The announcement of Mitsubishi Tokyo Financial Group's takeover of UFJ Holdings is set to create the world's biggest bank. Does this mean that Japan's economic recovery is finally here?

1 Have you ever visited Japan? Which Japanese products do you own? Compare your list with a partner.

2 Scan the article below for the words to complete the key.



KEY	
(1) years
(2)	Asian
(3)	Economic
(4)	'road to
(5) of UFJ

Economic recovery? After weeks of tense negotiations, Mitsubishi Tokyo Financial Group, Japan's second largest bank, has announced that it would acquire UFJ Holdings, the smallest of Japan's four mega banks. The acquisition of UFJ will effectively form the world's biggest bank, with 188.7 trillion yen (\$1.7 trillion) in assets.

Japan is the world's second biggest economy. The rapid economic expansion in the second part of the twentieth century, known as 'the economic miracle', was driven by the highly successful car and consumer electronics industries. Then came the boom years of the 1980s, when Japanese banks lent huge sums of money. This was followed by the Asian financial crisis. Banks were left with heavy debts. These were

secured against property and shares worth just a fraction of their former value. There followed a series of recessions in what has now been over a decade of economic stagnation.

This year the economy has grown faster than expected. The current road to recovery is mainly due to increased exports, with strong sales of products such as cars and flat screen televisions. Looking to the future, the IMF (International Monetary Fund) is cautiously positive. One fear is that the yen will continue to rise. Japanese consumers are still reluctant to spend since, due to continuing deflation, goods will be cheaper in the future. While it seems likely that the Japanese economy has finally recovered, perhaps it is still too early to be sure.

3 Read the whole article. What do you think will happen in the future? Why?

4 Complete the missing vowels in these nouns and explain their meanings to your partner. Which of the nouns have corresponding verbs?

- | | | | | |
|--------------|------------|---------------|--------------|--------------|
| (a) d_bt | (b) b_m | (c) r_c_ss_n | (d) _nfl_t_n | (e) d_fl_t_n |
| (f) r_c_v_ry | (g) l_ss_s | (h) st_gn_t_n | (i) l_nd_ng | (j) b_st |

5 Work in small groups. Write a short economic report for another country. You can use the Internet to search for information. Use as many of the words from exercise 4 in your report as possible. Present your report to the class.