

# Global food scare widens from Japan nuclear plant

AFP, Tokyo

Russia, Australia, Canada and Singapore joined a list of countries shunning Japanese food imports Thursday as radioactive steam wafted anew from a disaster-struck nuclear plant, straining nerves in Tokyo.

The grim toll of dead and missing from Japan's monster quake and tsunami on March 11 topped 26,000, as hundreds of thousands remained huddled in evacuation shelters and fears grew in the megacity of Tokyo over water safety.

The damage to the Fukushima nuclear plant from the tectonic calamity and a series of explosions has stoked global anxiety. The United States and Hong Kong have already restricted Japanese food, and France wants the EU to do the same.

Russia ordered a halt to food imports from four prefectures near the charred plant 250 kilometres (155 miles) north-east of Tokyo.

Australia also banned produce from the area, including seaweed and seafood, milk, dairy products, fresh fruit and vegetables.

It said, however, that Japanese food already on store shelves was safe, as it had shipped before the quake, and that "the risk of Australian consumers being exposed to radionuclides in food imported from Japan is negligible".

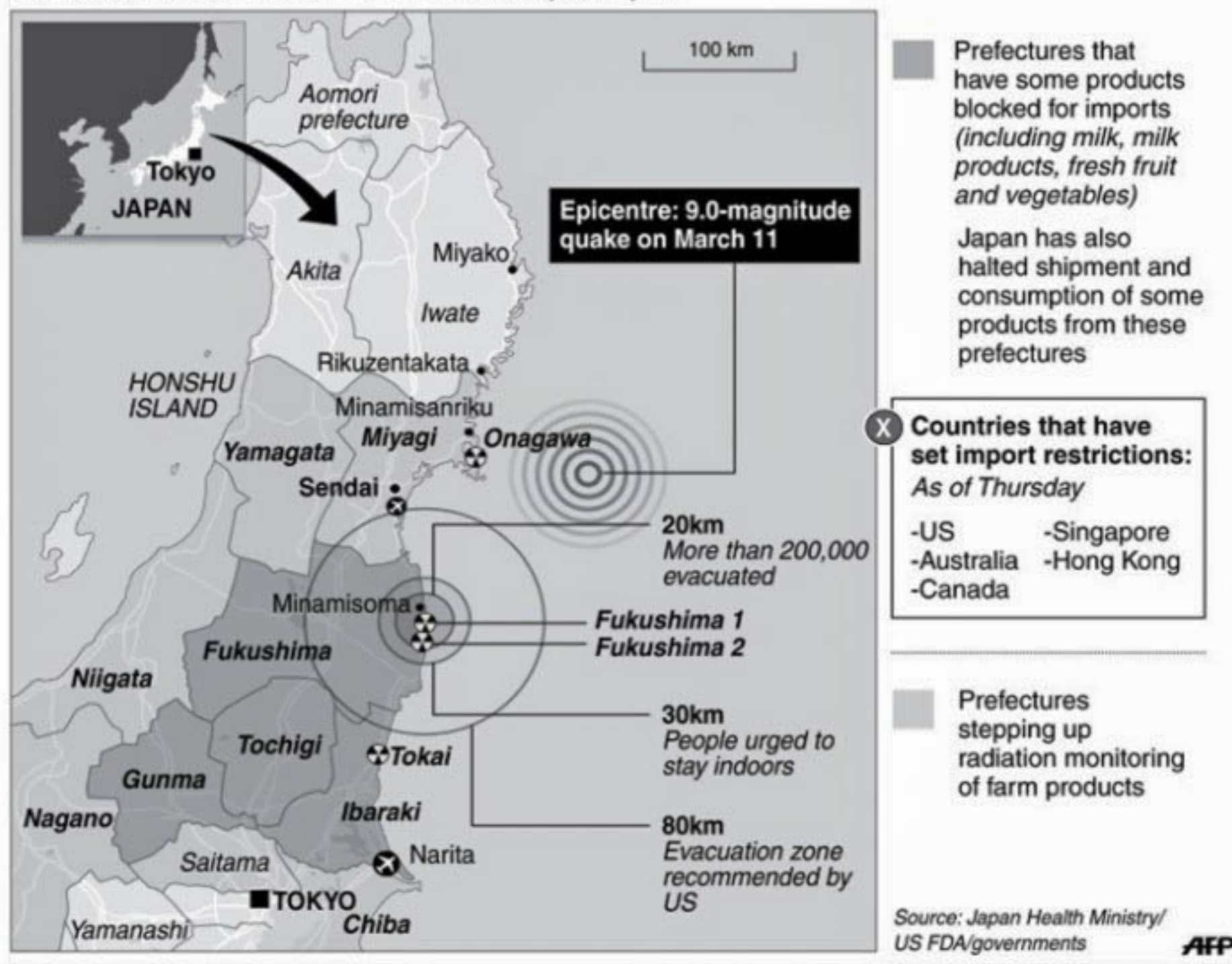
Singapore also suspended imports of milk products and other foodstuffs from the same four prefectures -- Fukushima, Gunma, Ibaraki and Tochigi -- and Canada implemented enhanced import controls on products from the quartet.

The Philippines has banned Japanese chocolate imports.

"Food safety issues are an additional dimension of the emergency," said three UN agencies in a joint statement issued in Geneva, pledging they were "committed to mobilising their knowledge and

## Radiation food scare

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expertise" to help Japan.

Japan was taking the right actions, said the International Atomic Energy Agency, World Health Organization, and Food and Agriculture Organization.

"Food monitoring is being implemented, measurements of radioactivity in food are taking place, and the results are being communicated publicly."

In greater Tokyo, an urban sprawl of more than 30 million people, strong aftershocks overnight and in the morning served as uncomfortable reminders that Japan's capital itself is believed to be decades overdue for a mega-quake.

The anxiety was compounded by the Tokyo government's revelation Wednesday that radioactive iodine in the drinking water was more than twice the level

deemed safe for infants, although it remained within safe adult limits.

The news triggered a run on bottled water in shops and the city's ubiquitous vending machines, while the Tokyo government started to give families three 550-millilitre (18.5-ounce) bottles of water per infant.

A measurement on Thursday was in the safe zone for infants again, officials said, but this didn't soothe all parents of young children.

"I don't want to panic," Kazuko Hara, 39, told AFP as she collected her three allotted bottles of water in Tokyo's Bunkyo ward.

"I will use bottled water for now. If we run out, I will use tap water. Experts say it's OK. But when you see people buying bottled water at stores and emptying

store shelves, that makes you worry again."

Japan's government has also halted shipments of untreated milk and vegetables from Fukushima and three adjoining prefectures, and stepped up radiation monitoring at another six, covering an area that borders Tokyo.

The health ministry has detected 82,000 becquerels of radioactive caesium -- 164 times the safe limit -- in the green vegetable kukitachina, and elevated levels in another 10 vegetables, including cabbage and turnips.

At the source of the radiation -- the Fukushima plant located on the Pacific coast -- white smoke could be seen wafting from four of the six reactors.

Fire engines again aimed their high-pressure water jets at the number three reactor, a day after a plume of dark smoke there forced workers to evacuate, in their bid to avert a full meltdown that would release greater radiation.

Highlighting the risks taken by the emergency crew, three workers were exposed to at least 170 millisieverts when they stepped into a puddle of water that reached the skin on their legs despite their radiation suits.

Engineers have now linked up an external electricity supply to all six reactors and are testing system components and equipment in an effort to soon restart the tsunami-hit cooling systems and stabilise the reactors.

On Thursday, they partially restored power to the reactor one control room.

The grim statistics from Japan's worst post-war disaster kept rising, with 9,737 now confirmed dead and 16,501 listed as missing by national police.

Scientists at the Port and Airport Research Institute meanwhile found that the tsunami that swallowed entire towns was even bigger than first thought. In devastated Ofunato, Iwate prefecture, it topped 23 metres (76 feet).

## Prius factory to restart, Honda extends shutdown

AP, Tokyo

Toyota Motor Corp. said it will soon resume production of the Prius and two other hybrid models while rival Honda Motor Co. has extended its Japan auto shutdown until early April in the aftermath of the massive quake and tsunami.

Toyota, the world's No. 1 automaker, plans to restart production of the Prius and two Lexus hybrids -- the HS 250h and CT 200h -- from Monday. The Prius is made at the Tsutsumi factory in western Japan, while the Lexus models are produced in the southern island of Kyushu.

As for the company's nine other factories in Japan, Toyota has only said shutdowns will last at least until Saturday. It will have lost production of about 140,000 vehicles by then.

Separately, rival Honda Motor Co. said Thursday that the suspension of car production at its Saitama and Suzuka factories will be extended to April 3. It had previously said production was halted until Sunday.

It is restarting production of motorcycles at its Kumamoto factory on Monday.

Japanese automakers suspended production after the March 11 earthquake due to damage to suppliers' factories in northeastern Japan and power shortages.

Toyota revealed earlier Thursday that it expects to halt production at some of its factories in North America because of shortages of parts from Japan.

Toyota's move in the U.S. adds to the spreading economic damage from the magnitude-9.0 quake and tsunami that killed thousands of people and triggered an unfolding nuclear crisis at a stricken power plant.

In a statement released in New York, Toyota said it was unclear which North American facilities will be affected or how long the suspension might last. It gave no indication how many employees might be affected.

The company said the impact should be limited because a majority of parts used by its North American factories came from suppliers there. It said the facilities are still receiving parts from Japan that were sent before the quake.

"Today, we communicated to team members, associates and dealers here that some production interruptions in North America are likely," the Toyota statement said.

## Philippine hikes rates

AFP, Manila

The Philippines on Thursday raised interest rates for the first time in almost two years, joining its Asian neighbours in a battle to keep inflation in check, while analysts warned of more hikes to come.

The central bank said strong global demand and supply disruptions for oil and food due to political unrest, as well as the quake and tsunami disaster in Japan, had tipped the balance of risks.

Overnight rates, which have been kept at record-lows since July 2009, were raised 25 basis points to 4.25 percent for borrowing and 6.25 percent for lending.

"The latest baseline inflation forecasts now indicate that the 3-5 percent inflation target range in 2011 could be at risk," the Monetary Board said in a statement after its monthly meeting.

"The Monetary Board believes that a preemptive response will minimise the overall impact of rising inflation on

domestic economic activity by helping to firmly anchor the public's inflation expectations," it added.

Rising inflation has become a key concern for governments around Asia, which had been pursuing expansionary monetary policy to ward off the worst of the 2008 global crisis.

India, South Korea, Thailand and Vietnam all raised interest rates this month with both Hanoi, battling double-digit inflation, and New Delhi pledging further tightening.

China has pledged to keep prices in check after announcing earlier this month that inflation in the world's second-largest economy had remained stubbornly high at 4.9 percent in February.

Filipino monetary officials said prolonged tensions in the Middle East and North Africa and the fallout from the twin disasters in Japan, a key market, posed the main risks in a still unfolding situation.

## Moody's downgrades 30 Spanish banks

AFP, Madrid

Moody's downgraded the credit ratings of 30 Spanish banks Thursday, warning that Spain's government may not be ready to write a blank cheque for every troubled bank.

New York-based Moody's acted two weeks after cutting Spain's sovereign rating by a notch, casting doubt on its ability to narrow a gaping annual deficit because of banking woes and spend-thrift regions.

The three biggest Spanish banks -- Banco Santander, BBVA and La Caixa -- escaped any action.

## Portugal tip of iceberg as Euro leaders tackle debt woes

AFP, Brussels

With crisis-hit Portugal on the brink of a government collapse, European leaders faced an uphill task Wednesday going into a summit meant to seal defences against a year-long debt crisis.

Leaders from the 27 European Union states lock horns Thursday and Friday in Brussels amid divisions over military action in Libya and nuclear safety after Japan's quake and tsunami severely damaged a reactor.

The debt crisis will take up most of their energies, with the summit supposed to deliver a comprehensive set of measures to remedy the problem just as Portugal, widely seen as the next in line for a bailout, heads into the unknown.

Protesters have erected giant banners railing against austerity near EU headquarters as police brace for some 20,000 demonstrators echoing complaints in Portugal against stringent belt-tightening measures.

After Greece and Ireland were bailed out last year, debt-laden Portugal's main opposition party said it would vote against the government's austerity plan later Wednesday, a move that would guarantee its rejection.

Socialist Prime Minister Jose Socrates has said he would resign in that event, risking that the markets would turn completely against Portugal, leaving it no option but to seek outside help.

His plan, aimed at squeezing Portugal's public deficit to 4.6 percent of GDP this year, has been endorsed by eurozone partners, meaning they would demand similarly tough conditions if any request for emergency loans is lodged.

Jean-Claude Juncker, the head of the Eurogroup of finance ministers



Portugal's Prime Minister Jose Socrates (R) looks down as he sits next to Minister of the Presidency Pedro Silva Pereira (L) during a plenary session at the parliament in Lisbon on Wednesday, to debate the government's new austerity measures.

from the shared currency area, said: "If that turns out to be the case, it would be under strict conditions."

Lisbon must repay nine billion euros (\$12.9 billion) of debt by June 15 but current money market rates of nearly 7.5 percent are considered unsustainable, meaning it cannot realistically raise fresh funds to cover its obligations.

A Portugal bailout would come at the worst possible time, not least because it would have to be sourced from the temporary European Financial Stability Facility, notionally worth 440 billion euros.

Already tapped by Ireland, the amount the fund can currently lend, allowing for a required buffer, is around 200 billion euros.

Diplomats told AFP that Finland has excluded any increase in EFSF guarantees on Friday before its April 17 elections.

As the pressure increases, German Chancellor Angela Merkel also wants to re-negotiate Berlin's contributions to a permanent European Stability Mechanism to replace the EFSF in 2013, which will

be able to provide 500 billion euros in fresh funding to those countries in need.

Slovakia and Estonia also have problems here but Germany carries the greatest clout having paid the most towards the Greek and Irish bailouts, which combined came to nearly 200 billion euros.

Leaders are due to endorse a basic EU treaty change enabling the ESM's creation but battles also rage elsewhere.

Ireland wants better terms on its bailout in line with those granted to Greece but eurozone partners are demanding Dublin first raise its low corporation tax levels.

France specifically wants a reference to a need for "pragmatic tax coordination" and alongside Spain, Austria and Greece, Paris also wants the goal of a Financial Transactions Tax Italy identified -- a measure Germany, Italy and Denmark oppose.

A new 'pact' setting out economic benchmarks for EU states to match -- so that in practice their economic policies converge -- is also stirring trouble.



Tourists walk out of a shopping mall during mega sale carnival in downtown Kuala Lumpur on Wednesday. Malaysia's central bank forecast that the country's economy will expand by between 5 and 6 percent in 2011, spurred largely by strong domestic demand.